Wednesday
30th March, 1949

# THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

## Official Report

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Volume III, 1949

(18th March to 7th April, 1949)

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Fourth Session

OF THE

CONSTITUENT ASSEMBLY OF INDIA

(LEGISLATIVE)

1949

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# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

## (PART I— QUESTIONS AND ANSWERS).

*Wednesday, 30th March, 1949.*

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The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

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## STARRED QUESTIONS AND ANSWERS

### (*a*) ORAL ANSWERS

#### ORAGANISATION OF COTTAGE INDUSTRIES IN PROVINCES

***1480. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether the Government of India have asked all provincial Governments to speed up organisation of cottage industries within their respective spheres?

(b) If so, which Provincial Governments have responded and with what result?

(c) Has any cottage industry been started in villages with a view to make villages self-sufficient?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) The need for the rapid organisation and expansion of cottage industries was stressed in the First Meeting of the All-India Cottage Industries Board in which all provincial and State Governments were represented.

(b) and (c). Cottage Industries is a very wide field, and it is difficult to make a comprehensive statement of all activities. A brief statement of the action which is being taken by the provincial Governments is laid on the table of the House.

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#### STATEMENT

*Steps taken by Provincial Governments to speed up the development and expansion of Cottage Industries*

*Madras.*—With a view to impart training to the villagers in the production of useful articles by up-to-date methods, the Government of Madras drew up a plan as early as in 1946 to start nearly 200 Demonstration and Training Centres in 32 important industries all over the province. 43 such centres were actually started in 1947. In the light of the experience gained, it has recently been decided to concentrate attention on the development of six basic industries namely, Blacksmithy, Woodwork, Pottery, Light Metal Casting, Tanning and Leather Goods Manufacture and Sheet Metal Work, and to develop them under private management. The Provincial Government will of course help them with raw materials, appliances and technical guidance.

The Provincial Government also initiated a scheme in 1946 for the intensive development of *Khadi* in selected areas with the main aim at securing self sufficiency in regard to cloth in terms of *Khadi*. Under this scheme, the Provincial Government have distributed so far cotton worth nearly Rs. 3 lakhs to spinners and collected 4½ lakhs of lbs of handspun yarn and had nearly 12 lakhs of yards of *Khadi* cloth produced.

*Bombay.*—The Government of Bombay are making a rapid progress in the organisation of village industries on co-operative basis. They are carrying out schemes for promoting village industries through their Co-operative Departments as well as through a Non-official Industries Committee. A sum of Rs. 10,37,000 has been spent during the past two years for the village Industries Committee Schemes. A sarvodaya scheme has also been planned for selected areas in the province which aim at the general uplift of the areas to be developed and also making them self-sufficient as far as possible.

*West-Bengal.*—The Government of West Bengal are taking steps to develop the following cottage industries :

(i) Handloom Cotton Weaving.
(ii) *Khadi.*
(iii) Handloom Silk Weaving.
(iv) Silk Reeling Industry.
(v) Rearing Industry.
(vi) Utilization of Silk Waste.
(vii) Wool Weaving.
(viii) Jute Weaving.
(ix) Brass and Bell Metal Industry.
(x) Cutlery Industry.
(xi) Horn Industry.
(xii) Mother-of-Pearl Button Industry.
(xiii) Tanning and Leather Industries.
(xiv) Pottery.
(xv) Palm *Gur* Industry.
(xvi) Handmade Paper Industry.
(xvii) Lac Industry.

The Provincial Government have expressed the view that it is neither feasible nor desirable to make villages self sufficient and national welfare will be maximised by promoting industries in the most economic sites.

*United Provinces.*—The Government of U. P. have inaugurated a large number of schemes to speed up the development of cottage industries. The following are some of the important schemes :

(i) Development of *Khadi*
(ii) Development of *Gur* and Cottage Oil.
(iii) Development of training-*cum*-production centres in the villages by means of tuitional class.

The *Khadi* scheme is being run in very close co-operation with the Gandhi Asram. The Provincial Government are training villagers in the production of *Khadi* and have made arrangements for the supply of cotton to them and also for the sale of surplus yarn and cloth. The *Gur* and Oil schemes aim at improvement in the production of *Gur* and Oil by means of simple improved appliances and the use of better clarifying agents. Steps have also been taken for stocking *gur* conveniently so that the villagers may not have to sell what they produce on account of the fear of deterioration. The tuitional classes, 90 of which are already working and 30 more are going to be started shortly, are training-*cum*-production centres for villagers in important cottage industries like weaving, dyeing, carpentry, smithy, Basketry and tanning.

*C. P. and Berar.*—A scheme for the development of Oil Ghani industry in villages has been started by the Provincial Government. The aim of the scheme is to make villages self-sufficient in their requirements of pure edible oils. They are also considering other schemes for developing villages towards self-sufficiency.

*Bihar.*—The Government of Bihar are organising Multipurpose Co-operative Societies in large numbers with a view to develop cottage industries. Besides these, there are 122 Weavers Co-operative Societies, 5 Societies of Shoe makers and 12 Blacksmith and Carpenters Co-operative Societies. The Provincial Government are also pushing up through Rural Welfare Centres, industries like paper making, bee-keeping, spinning and weaving.

*Orissa.*—The Government of Orissa are attempting to develop the following cottage industries.

(i) Salt manufacture.
(ii) Weaving.
(iii) Spinning.
(iv) Oil Pressing.
(v) Bell Metal.
(vi) Needle Work
(vii) *Cur.*
(viii) Coir.

The Provincial Government have made arrangements to supply the villagers with suitable equipment and have also started training schools to train students in the up-to-date methods of manufacture. In addition, to this Grant-in-aid are also given to private institutions.

*Assam.*—The Government of Assam are taking steps to speed up the organisation and expansion of the following cottage industries :

(i) Ceramics.
(ii) Hand-made paper.
(iii) Fisheries.
(iv) Bee-keeping.
(v) Soap Manufacture
(vi) Sericulture.
(vii) Hand-loom Weaving.

The Provincial Government is giving industry loans to help in the promotion of small scale industries. Stipends are also given to students engaged in various cottage industries. Trading Co-operatives are also organised throughout the Province with a view to provide a trade channel for cottage industries products.

*East Punjab.*—Government have taken the following steps to develop cottage industries :

(a) An industrial Development Board has been set up to investigate the extent to which each industry can be developed on cottage basis. Action on some of the recommendations of the Board has been taken. The Board is likely to complete its work in a month or so, after which its other recommendations will be considered.

(b) A scheme to make villages self-sufficient in regard to their cloth requirements, has been introduced as an experimental measure. This scheme will make an unit of 25 villages self-sufficient by organising spinning and weaving.

(c) To encourage cottage industries 14 centres with 1000 spinners and 100 weavers have been opened. These will produce cloth for themselves and also for selling to others. One Handloom Marketing Organisation has also been set up. It supplies the necessary designs and the raw-materials to the village handloom weavers and gets cloth woven from them through its various branch depots for marketing it after getting it finished. This organisation has been functioning since 1935 and is doing useful work for the village weavers.

(d) A number of grainage stations for producing silk seed has been started. The seed is distributed to the rearers in the villages, who produce necessary cocoons, which are again purchased by Government and reeled and disposed of further. Sanction has also been given for opening 8 centres, wherein the villagers will collect their dead animals, which will be flayed and the bones, horns, hoofs and skins will be collected separately while the flesh will be converted into manure for the benefit of villagers.

(e) A number of demonstration parties to impart training to the villagers in various crafts that can be taken up on cottage basis like basket making, ban and rope making, leather goods manufacture, weaving, dyeing and calico printing, vegetable oil refining etc. are also functioning.

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**Shri R. K. Sidhva:** May I know whether the Provincial Governments have been informed to help refugees by this Board in the Cottage Industry?

**The Honourable Dr. Syama Prasad Mookerjee:** We have not referred specifically to refugees. Of course in our Resolution we did indicate that by organisation of cottage industries the refugees can be helped. If necessary, we may also address on this point.

**Shri R. K. Sidhva:** Is it not a fact that in one of the meetings it was recommended that in Refugee Camps workshops should be opened for cottage industries purposes? If so, what steps have been taken in that direction?

**The Honourable Dr. Syama Prasad Mookerjee:** I think the honourable member is referring to certain assurances given by the Relief and Rehabilitation Minister. But what we have now done is that our Ministry and the Relief and Rehabilitation Ministry, so far as Cottage Industries Development Board is concerned, are now working together.

**Babu Ramnarayan Singh:** May I know some of the important articles produced by the Cottage Industries Department?

**The Honourable Dr. Syama Prasad Mookerjee:** We have no Cottage Industries Department producing any articles but we are encouraging production of Cottage Industries by private individuals.

**Shri Mahavir Tyagi:** Are Government giving any subsidies or grants or loan advances to various Provincial Governments to encourage Cottage Industries in respect of their areas?

**The Honourable Dr. Syama Prasad Mookerjee:** No loan has yet been granted but that is under examination.

**Shri H. V. Kamath:** Was the All-India Village Industries Association founded by Mahatma Gandhi invited to participate in this Conference?

**The Honourable Dr. Syama Prasad Mookerjee:** They were but there were certain difficulties and they were not prepared to agree to come as an Association. But again we have been negotiating with them and I believe they are prepared to join now.

**Shri Biswanath Das:** Are the Government aware of the fact that since before 15th August 1947 during British Rule there were specific grants annually for the development of Cottage Industries in the provinces?

**The Honourable Dr. Syama Prasad Mookerjee:** I believe the honourable member is referring to distribution of grants from the Development Fund which the Government of India placed at the disposal of provinces. That is continuing even now.

**Shri C. M. Poonacha:** Who is responsible for the development of Cottage Industries in the Centrally Administered areas? Is it the Central Government or the Local Government?

**The Honourable Dr. Syama Prasad Mookerjee:** The Local Administration, of course under the direction of the Central Government if necessary.

**Shri Ram Chandra Upadhyaya:** Has Government in view any definite industries for this purpose?

**The Honourable Dr. Syama Prasad Mookerjee:** We have not. We have given sufficient latitude to provinces. In fact Cottage Industries can develop only through the efforts of the Provincial Governments and Provincial organizations.

**Srijut Kuladhar Chaliha:** May I know if any spinning and weaving machinery have been distributed for the purpose by the Centre to the Provinces?

**The Honourable Dr. Syama Prasad Mookerjee:** I do not think it has been asked for from the Centre.

**Shri Biswanath Das:** May I know the quantum of money provided in the budget for distribution as also the allotment among provinces during 1948/49?

**The Honourable Dr. Syama Prasad Mookerjee:** No grant is earmarked for particular province. Lump grant is made and each province is entitled to spend such sums for various purposes including cottage industries.

**Shri Biswanath Das:** It is not an answer to my question. The question was what was last year's grant and what was the allotment to provinces?

**Mr. Speaker:** To that, the reply is that grants are given in lump and not for specific purposes. That means this is included in lump grants.

**Shri Biswanath Das:** I do not want the purpose.

## ARTICLES SEIZED BY DELHI ENFORCEMENT POLICE

***1481. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what are the articles which have been seized by the Delhi Enforcement Police during the year 1948 and what is the value thereof?

(b) What has become of the seized articles and in how many cases was infringement of control orders detected?

(c) How many persons were prosecuted for this offence?

(d) Do Government intend to intensify their efforts through the Enforcement Police?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) to (c.) A statement is laid on the Table.

(d) Yes.

### STATEMENT

| Articles seized by Delhi Enforcement Police during 1948 | Value of articles seized during 1948 by Delhi Enforcement Police. | What has become of the articles. | In how many cases infringement of control orders was detected. | How many were prosecuted for this offence. |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| | Rs. | | | |
| 1. Cotton Cloth . | 25,00,000 | Cloth worth about Rs. 17,000 confiscated, 8 cases pending involving cloth worth Rs. 4,00,000; rest returned to the accused after conviction. | 130 cases. | 370 Persons. |
| 2. Potatoes | 35,000 | Rs. 5,000 worth approximately confiscated ; rest released after conviction. | 20 cases. | 57 Persons. |
| 3. Iron and steel. | 4,00,000 | A small portion has been released and the remainder is pending decision of the cases. | 21 (including 4 cases of overcharging). | 35 Persons. |
| 4. Match Boxes. | 35,500 | Matches worth about Rs. 14,700 confiscated ; rest returned. | 10 Cases. | 28 Persons. |
| 5. Rice . | 15,000 | Rice worth Rs.6,700 confiscated. 2 cases are still pending. | 20 Cases. | 28 Persons. |
| 6. Wheat . . | 18,000 | Wheat worth Rs. 6,500 confiscated; rest returned. | 6 Cases. | 25 Persons. |
| 7. Paper . | 14,000 | Cases pending in court. | 17 (including 4 of printing contraventions). | 38 Persons. |
| 8. Coal . . | 1,000 | Pending investigation. | 5 Cases. | 11 Persons. |
| 9. Cement . . | 2,000 | Pending investigation. | 2 Cases. | 4 Persons. |
| 10. *Atta* (flour) . | 2,500 | *Atta* worth Rs. 1,000 confiscated. | 12 Cases. | 20 Persons. |

**Shri R. K. Sidhva:** May I know what is the total amount of these articles which were seized?

**The Honourable Dr. Syama Prasad Mookerjee:** The total is not given here but the figures are all mentioned.

| | | Rs. |
|---|---|---|
| Cotton Cloth | .. | 25,00,000 |
| Potatoes | .. | 35,000 |
| Iron and Steel | | 4,00,000 |
| Match Boxes | .. | 35,000 |
| Rice | .. | 15,000 |
| Wheat | .. | 18,000 |
| Paper | .. | 14,000 |
| Coal | ... | 1,000 |
| Cement | .. | 2,000 |
| *Atta* | .. | 2,500 |

**Shri R. K. Sidhva:** What has become of these articles?

**The Honourable Dr. Syama Prasad Mookerjee:** I cannot say.

**Shri R. K. Sidhva:** Have the Courts seized and confiscated them?

**The Honourable Dr. Syama Prasad Mookerjee:** That information is also given under column 3 if the honourable member refers to the statement.

**Shri R. K. Sidhva:** I want to know how much worth of goods were confiscated.

**The Honourable Dr. Syama Prasad Mookerjee:** Cotton cloth worth about Rs. 17,000 have been confiscated, and Rs. 4 lakhs worth returned to accused after conviction. Potatoes worth Rs. 5,000 confiscated, rest released after conviction. Iron and Steel, a small portion released and remainder is pending decision of the Court. Matches worth Rs. 14,700 confiscated. Rice worth Rs. 6,700 confiscated, 2 cases pending. Wheat worth Rs. 6,500 confiscated. Paper cases are still pending in court. Coal and Cement cases are pending investigation. *Atta* worth Rs. 1,000 have been confiscated.

**Shri R. K. Sidhva:** Arising out of (c) may I know how many were sentenced to fine and how many for imprisonment?

**The Honourable Dr. Syama Prasad Mookerjee:** I have not got the figure of actual conviction.

**Shri R. K. Sidhva:** What is the maximum imprisonment for anyone of these cases?

**The Honourable Dr. Syama Prasad Mookerjee:** I have not got it.

**Shri Deshbandhu Gupta:** Are any Officers involved in these prosecutions?

**The Honourable Dr. Syama Prasad Mookerjee:** No.

**Shri R. K. Sidhva:** My question was how may were prosecuted?

**The Honourable Dr. Syama Prasad Mookerjee:** About 200.

PRODUCTION AND MAINTENANCE COST OF GOVERNMENT COLLIERIES

*1482. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the number of coal mines owned by Railways and their production in the years 1946, 1947 and 1948?

(b) What is the average production from Government-owned collieries as compared with private-owned collieries?

(c) What is the cost of maintenance of Government collieries as compared with private-owned collieries?

**The Honourable Dr. Syama Prasad Mookerjee:**

(a)

| *Year* | *Number of Railway Collieries* | *Production in Tons* |
|---|---|---|
| 1946 | 11 | 3,946,002 |
| 1947 | Ditto | 3,687,421 |
| 1948 | Ditto | 2,950,507 |

(b) Government-owned Colliery—3,527,977 Tons.

Private-owned Colliery—26,195,440 Tons.

(c) The cost of maintenance of Government-owned collieries during the three years ending 1947-48 is as follows:

| | |
|---|---|
| 1945-46 | Rs. 3,345,133 |
| 1946-47 | Rs. 3,117,382 |
| 1947-48 | Rs. 2,416,694 |

The figures of cost of maintenance of private-owned collieries are not available.

**Shri R. K. Sidhva:** May I know whether the expenditure on maintenance of government collieries is higher than that of private ones?

**The Honourable Dr. Syama Prasad Mookerjee:** Yes.

**Shri R. K. Sidhva:** What are the reasons please?

**The Honourable Dr. Syama Prasad Mookerjee:** Better terms and better maintenance.

**Shri R. K. Sidhva:** Would not Government have the same charge for maintenance as private collieries? Then what are the reasons for the higher costs?

**The Honourable Dr. Syama Prasad Mookerjee:** It is a fact that the cost of maintenance of government collieries is higher; and in fact, we are investigating the question as to whether we can reduce this expenditure.

**Shri R. K. Sidhva:** Why was the production less in government collieries than in the private collieries?

**The Honourable Dr. Syama Prasad Mookerjee:** One of the reasons was that it was thought undesirable to raise more coal than would be transported. In fact on 31st December 1948, there was only 86,411 tons at the pit head stocks of government collieries, whereas in private collieries there was as much as 1,130,000 tons.

**Shri R. K. Sidhva:** The Honourable Minister stated that the question of cost of maintenance will be considered by a Ministry. Will it be considered by his Ministry or by the Ministry of Works, Mines and Power?

**The Honourable Dr. Syama Prasad Mookerjee:** By my Ministry.

**Shri H. V. Kamath:** Which mines produce, what in the opinion of experts may be called best quality coal?

**The Honourable Dr. Syama Prasad Mookerjee:** Railway collieries.

**Shri H. V. Kamath:** Situated where?

**The Honourable Dr. Syama Prasad Mookerjee:** I have not got the information; but if the honourable member wants, I can get the necessary information.

**Babu Ramnarayan Singh:** What is the basis on which the cost of production is calculated in Government collieries? I want to know if there is any profit, and if not, how is the cess to be imposed, which is to be imposed on the profit?

**The Honourable Dr. Syama Prasad Mookerjee:** If the honourable member will please wait till question No. 1489 is answered, he will find all the information given there. I have given there a tabulated statement showing the profit in respect of each of the collieries maintained by the Government of India.

**Shri Brajeshwar Prasad:** What are the reasons for the decline in the production in the government collieries from year to year? From 1946-47, and again in 1947-48 there has been a decline.

**The Honourable Dr. Syama Prasad Mookerjee:** That I have just explained. I may also tell the honourable member that that is also under investigation now, to see whether we cannot increase the production in relation to the demand.

BUILDING FOR RAILWAY CLEARING ACCOUNTS OFFICE

***1483. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state when the Railway Clearing Accounts Office building was built in Delhi-Kishenganj?

(b) Is it a fact that the whole of this building was gutted by fire?

(c) How many quarters have been built for the staff of this office and how many persons are employed in this Office?

(d) Where is the office now located?

(e) Is it a fact that a portion of the office is located in the staff quarters?

(f) Has this arrangement deprived any staff of their living accommodation?

(g) Do Government contemplate constructing a new building for this office and if so, when and why has it been held over?

**The Honourable Shri K. Santhanam:** (a) A temporary building was constructed in 1942 for the Railway Clearing Accounts Office and additions were made in 1944.

(b) No. Only part of the office was burnt.

(c) 500 staff quarters have been built. The present strength of staff is—

| | |
|---|---|
| Class I and II Officers | 9 |
| Class III | 1702 |
| Class IV | 240 |
| Total. | 1951 |

(d) Still at Delhi Kishenganj.

(e) Yes.

(f) Yes.

(g) The question of permanent location of this office is under consideration. A new building will be provided when the location is settled.

**Shri R. K. Sidhva:** What is the reason for the delay in deciding upon the permanent location of this office?

**The Honourable Shri K. Santhanam:** We were waiting for the report of the Indian Railway Enquiry Committee; they have made certain recommendations and those recommendations are now under examination.

**Shri R. K. Sidhva:** May I know whether the employees made a complaint that it is the quarters of the staff in which this office is situated and so they have been put to great inconvenience? Will these quarters be allowed to be used by the employees?

**The Honourable Shri K. Santhanam:** Yes, as soon as we get another building for the office we shall naturally vacate these quarters.

**Shri R. K. Sidhva:** May I know what was the opinion of the committee that was appointed in 1946, regarding this office? Did they decide to close down this office or to continue it?

**The Honourable Shri K. Santhanam:** I think, Sir, that the opinion of that committee has been superseded by the latest report of the Indian Railway Enquiry Committee.

**Shri Kishorimohan Tripathi:** Did the Government enquire into the cause of the fire? If so, what was the cause?

**The Honourable Shri K. Santhanam:** So far as we are aware, it was the result of mob violence, on 7th March, 1946.

**Shri R. K. Sidhva:** May I know whether the decision of the Special Officer has been superseded by the present recommendations?

**The Honourable Shri K. Santhanam:** The whole matter is under consideration.

**Shri R. K. Sidhva:** May I know whether the Staff Association made a representation to the Committee to enable them to give oral evidence, and is it a fact that that oral evidence was refused?

**The Honourable Shri K. Santhanam:** All the evidence is contained in the report.

**Shri R. K. Sidhva:** May I know whether the evidence was taken, as desired by the Association?

**Mr. Speaker:** Is the report published?

**The Honourable Shri K. Santhanam:** Yes.

**Shri R. K. Sidhva:** There is no evidence in the report about this, whether the Staff Association made a representation for oral evidence and whether it was. . .

**Mr. Speaker:** I think the honourable member is perhaps going beyond the scope of the question. If Government appoints a committee, I presume it is the authority of that committee to decide what evidence to take and what not to take. I do not think Government is responsible for exclusion of evidence, or is in any way concerned about it.

**Shri R. K. Sidhva:** The enquiry and the recommendations are before the Government and I only wanted to know whether that enquiry is complete with the full evidence.

**Mr. Speaker:** But Government is not expected to have any concern with the actual working of the committee. Next question. Mr. Kesava Rao.

*(Shri V. C. Kesava Rao was absent)*

**Shri H. V. Kamath:** Question No. 1486 is in the name of Shri Kesava Rao. The Honourable Minister as well as many of us are interested in this question. May I request you to have it read?

**Mr. Speaker:** That will come in, if I admit it, in the next round,† after all the questions are finished. Question 1487.

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†The question was not reached during the question hour and the answer was laid on the table of the House.—*Ed. of D.*

PREVENTION OF RINDER-PEST

†*1484. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Agriculture be pleased to state in which places in India Rinder-Pest has broken out in an epidemic form?

(b) Have statistics been collected of the total number of cattle dying of this disease?

(c) Is any research being conducted to prevent such animal diseases?

(d) Is this disease prevalent in other countries with large cattle population?

**The Honourable Shri Jairamdas Doulatram:** (a) Rinder-Pest appears in some form or other in all Provinces and States of India.

(b) Yes. The annual mortality from this disease is estimated at about 100,000 of bovines.

(c) Research work for finding suitable sera and vaccines has been conducted at the Indian Veterinary Research Institute, Izatnagar. Goat tissue virus has proved to be very effective and is being widely used all over the country as a preventive. Observations on rabbit virus and egg virus have also been recently undertaken at the Indian Veterinary Research Institute, as these appear to give better results. About one crore of dozes are annually used to protect cattle against the disease and it is estimated that at least 10 lakhs of cattle are saved from fatal attack each year.

(d) This disease occurs in almost all the Asiatic and Middle East countries.

DISTRIBUTION OF AGRICULTURAL MACHINERY TO PROVINCES THROUGH STOCKIST AGENTS

†*1485. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that agricultural machinery imported into India by Government is distributed to the Provincial Governments through private firms and if so, what are the firms distributing them?

(b) Why is it not possible for the Government of India to hand it over directly to the Provincial Governments?

(c) What are the terms offered to these firms?

**The Honourable Shri Jairamdas Doulatram:** (a) The agricultural machinery imported by the Government of India on behalf of the Provinces and States is distributed by the Ministry of Agriculture through appointed stockist-agents who are also the manufacturers' agents in India. A list of the eleven firms acting as agents is placed on the table.

(b) The machinery imported from abroad has to be serviced before despatch to the Provincial Governments. The expenditure involved in maintaining all the year round standing arrangements for godowns, servicing the machinery and the investment in purchasing and stocking spare parts would be so large that for temporary work of this type it is considered more economical to have this done through the manufacturers' agents. Moreover, in respect of the machinery purchased by the Government of India direct in the U.S.A. and U.K. the manufacturers allow to Government the dealers' commission on the understanding that the rupee equivalent of the same will be paid to their agents in India. Ordinarily the manufacturers pay a commission varying from 20 per cent. to 35 per cent. to their agents in India but the Government of India do not pay the entire commission ordinarily due to the agents from their manufacturers owing to the fact that the Government machinery is received in bulk

†Answer to this question laid on the table, the questioner being absent.

and because the agents do not have to finance its purchase. They have accordingly concluded an agreement with the agents whereby the agents are paid their remuneration on a reduced basis.

(c) A statement showing the terms of the Agreement with the firms is placed on the table.

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STATEMENT

*List of Firms acting as Stockist-Agents of Agricultural Machinery on behalf of the Government of India*

(1) M/S. Marshal, Sons & Co. (India) Ltd., Calcutta.
(2) M/S. William Jacks & Co. Ltd., Bombay/Calcutta.
(3) M/S. Tractors (India) Ltd., Calcutta.
(4) M/S. Construction Equipment Co., Bombay.
(5) M/S. Pashbhai Patel & Co., Bombay.
(6) M/S. Volkart Bros., Bombay.
(7) M/S. Larsen & Toubro Ltd., Bombay.
(8) M/S. Sanghi Brothers, Jodhpur.
(9) M/S. Intercontinent (Travancore) Ltd., Bombay
(10) M/S. Punjab Hardware Stores, Delhi.
(11) M/S. Wilcox (Buckwell-India) Ltd., New Delhi.

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STATEMENT

*Terms of the agreement with Stockist-Agents appointed by the Government of India*

You will accept delivery of all agricultural machinery and tractors for agricultural purposes received from abroad and delivered to you by Government or their Clearing Agents. Normally only machinery manufactured by your Principals would be delivered to you but Government reserve to themselves the right to deliver any make of machinery to you under this Agreement.

You will not pay for the machinery and tractors delivered to you but shall only act as the Agent of the Government in respect of the following services :

(a) Warehousing,
(b) unpacking where necessary,
(c) servicing to ensure that the equipment received is complete in all respects and ready to go into the field,
(d) repacking where necessary, and
(e) despatch under instructions to be issued from time to time by the Director for Agricultural Machinery.

Your responsibility under sub-clause (e) above would be deemed to have been fully discharged by the delivery F.O.R. or F.O.B. nearest station of despatch. You will however, if so desired by the consignees, arrange to pay freight and insurance of the goods while in transit, the cost of such insurance and freight to be realised by you from the consignees direct.

In consideration of the services mentioned above Government will pay you a remuneration calculated on the landed cost of each machine as advised by the Department of Industries and Supplies on the scale :

15 per cent. on the first—Rs. 7,500
12½ per cent. on the next—Rs. 30,000.
10 per cent. on the next—Rs. 25,000.
5 per cent. on the balance.

This commission shall be calculated in respect of each individual machine or tractor separately.

You will remit to Government, in full, any commission, discount or other payments received by you from the manufacturers in respect of the machinery and tractors delivered to you and handled by you under this Agreement.

You will be responsible for the safety of the equipment handled by you under this Agreement, while in your custody.

You will submit to the Director for Agricultural Machinery a written statement of all receipts of machinery and tractors under this Agreement within one week of receipt of the stores by you. The Director for Agricultural Machinery will issue written instruction regarding the despatch of the materials and would at the same time indicate the landed cost against each item to enable you to submit your bill for remuneration. You will submit bills for remuneration after deliveries are effected and quote on such bills the Railway Receipt or Bill of Lading number, wagons number or Steamers name, as proof of despatch of materials. You will attach with each bill a certificate from your auditors certifying that in respect of the machinery and/or tractors covered by the bill you have not received any payment whatsoever direct from manufacturers or, if such payment has been received, you have remitted the full amount into a Government Treasury. Your bills, if duly supported by the above information and documents, would be passed promptly for payment and forwarded to the Accountant General, Central Revenues, New Delhi, for payment to be made to you.

In the event of any question or dispute arising out of or in any way relating to this agreement or any of its clauses, the same will be referred to two arbitrators, one to be nominated by the Government and the other by you. In the event of the arbitrators refusing or failing to agree the matter will be referred to an umpire to be appointed by the arbitrators in writing before proceeding on the reference, whose decision will be final and binding on both the parties. The provisions of the Indian Arbitration Act 1940, and the rules framed thereunder and any statutory modifications thereto shall be deemed to apply to and be incorporated in this Agreement.

(N.B.—*'You' stands for stockist-agents*).

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OF SUGAR PRODUCTS AND CONFECTIONARY INDUSTRY

†***1486. Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what steps are being taken to improve and consolidate the indigenous confectionary industry in India?

(b) Have any representations been received from the Indian Confectionary Manufacturers Association and if so, what action was taken by Government on these representations?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Some time back Government of India constituted a Panel to examine the present condition of the Sugar Products and Confectionary Industry and make recommendations for its development. The Panel has recently submitted its report which is under consideration of Government.

(b) Yes, Sir. A statement showing the main representations made by the Association and the action taken thereon is placed on the table of the House.

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STATEMENT

| Association's Representations<br>1 | Action taken<br>2 |
|---|---|
| 1. The Association strongly urged that the Government of India should allot an adequate quota of tinplates to the industry and allow the confectioners to have their choice in selecting the fabricators. | The Association has been informed that owing to shortage of tin-plates in the country, it is not possible to increase the allocation till the supply position has eased. It is, however, hoped that with the improvement in the import position of tin-plates the difficulty will be overcome to a very large extent. The Government of India have agreed to the Association's request that the Confectioners should have their choice in selecting their fabricators. The Association has, however, been asked to take necessary steps to standardise their containers and persuade as many fabricators as possible to specialize in their manufacture. |

† Answer to this question laid on the table, the questioner being absent.

| 1 | 2 |
|---|---|
| 2. The Association strongly urged:— | |
| (*i*) that an adequate quota of wagons under a movable class of priority should be allotted for the booking of confectionary throughout India. | These are under consideration of the Government of India. |
| (*ii*) that the Government of India should completely restrict imports of confectionary into the country, and | |
| (*iii*) the Government of India should remove the ban on export of chocolate confectionary. | |

## Sorting in R. M. S. Sections

***1487. Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that there are standing orders to the effect that no R.M.S. section should be allowed to proceed without socket labels and that sorting should not be allowed to be done on floor or table?

(b) Are Government aware that various R.M.S. Sections are working with limited accommodation and without sorting facilities and that the aforesaid orders are not being observed?

(c) If so, what action do Government intend to take or are taking to have the aforesaid orders carried out strictly?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) Departmental rules require that sorters of R.M.S. sections should be equipped with ready printed sorting case labels, showing destinations for which sorting is to be done, to be fixed by them in the sockets of the mail van sorting case before commencing the sorting work. Articles are sorted into the compartments of the sorting case so labelled, except for an overflow due to congestion in space or inadequacy of sorting cases, when sorting partially on the floor or lodges of the sorting case, though discouraged by the Department instructions, has sometimes to be resorted to.

(b) and (c). Paucity of R.M.S. mail vans with adequate accommodation and sorting facilities often necessitates improvised sorting arrangements. The position as it stands after the partition of the country has been reviewed and orders have been placed for additional R.M.S. mail vans of an improved type. Further, the sorting procedure as a whole is being revised and simplified with a view to relieving congestion in sorting sections of the R.M.S.

## Import of Salt from Pakistan

***1488. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether any salt has been imported into India from Pakistan territory after partition; and, if so, what is the quantity?

(b) Has the Government of Pakistan charged any duty on the import of salt into India?

(c) Do the Government of Pakistan levy excise duty on salt for all salt produced within their territory?

(d) Are there any other articles where excise or customs duty are charged by the Government of Pakistan over which Government of India levy no excise or customs duty?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Yes. About 50 lakh maunds since partition upto the end of February 1949.

(b) The Government of Pakistan charge an excise duty of Rs. 2-8-0 per maund on salt imported from West Punjab across the land border. No duty is charged on salt imported by sea from Karachi.

(c) Yes.

(d) It is understood that the Pakistan Government levy an excise duty on betelnuts and 'Yarn' (Power Loom) and export duty on Mesta Fibre, raw hides and skins, and cotton seeds. No duty is levied by India on these commodities.

**Shri R. K. Sidhva:** Arising out of (d), may I know whether this salt imported into India from Pakistan is from Khewara?

**The Honourable Dr. Syama Prasad Mookerjee:** From Khewara it was 21,81,850, and from Karachi, by sea, it was 28,19,935 mds.

**Shri R. K. Sidhva:** What was the duty Sir?

**The Honourable Dr. Syama Prasad Mookerjee:** Rs. 2-8-0 per maund.

**Shri H. V. Kamath:** Was this question of duties and tariff wall in general, discussed at any of the recent Inter-Dominion conferences?

**The Honourable Dr. Syama Prasad Mookerjee:** The whole question is now going to be discussed.

### INDUSTRIAL CONCERNS OWNED BY GOVERNMENT

***1489. Shri Kishorimohan Tripathi:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the industries and industrial concerns which are either partly or wholly owned by the Government of India?

(b) What are the percentages of shares owned by Government in the cases of partly-owned industries?

(c) What are the amounts invested in the case of each of the said industries?

(d) What was the net income from the said industries during the years 1946, 1947 and 1948?

(e) How do these incomes compare with those earned by private industries of the same nature for the same periods?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) to (e). A statement is laid on the table of the House.

STATEMENT

| S. No. | Industrial concerns either partly or wholly owned by the Government of India. [Part (a)] | Percentages of Govt. owned shares in case of partly owned industries. [Part (b)] | Amounts invested [Part (c)] | Net income during the year 1946-47 and 48. [Part (d)]. | Comparison with the income of private industries of the same nature. [Part (e)] |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| | | | Rs. | | |
| 1. | Fertiliser Factory, Sindri. (Wholly owned by Government of India). | | 8 Crores approximately. | Under construction. Production has not started yet. | Does not arise. |
| 2. | Mathematical Instrument Office, Calcutta. (Wholly owned by Government of India) | | Rs. 30 lakhs. | Expenditure was in excess of the income. | There are no similar private concerns. |
| 3. | Hindustan Aircraft Ltd., Bangalore. (Jointly owned by the Govt. of India and Mysore Govt.) | 2/3rd shares in the capital owned by Govt. of India and 1/3rd by Mysore Govt. | 1,16,66,600 | 1946-47 : Loss of Rs. 6,02,704<br>*1947-48 : Gross profit of over Rs. 20,00,000.<br>*1948-49 : Gross profit of over Rs. 15,00,000.<br>*Estimates. | Ditto. |
| 4. | Salt sources at | | | | |
| | (i) Sambhar, Didwara and Pachbadra in Rajputana and | | (i) 64,72,780. | (i) 1945-46 : Profit of Rs. 4,86,093.<br>1946-47 : Profits of Rs.3,15,601.<br>1947-48 : Profit of Rs. 11,18,121. | The question of comparing these Govt. salt works with private concerns should not arise, as the general policy of Government is to run these works on a 'No profit no loss' basis. |
| | (ii) Kharagheda in Ahmedabad District. | | (ii) 34,45,584. | (ii) 1945-46: Profit of Rs.18,218<br>1946-47: Profit of Rs. 52,881<br>1947-48 : Loss of Rs. 86,176 | |
| | (Wholly owned by the Govt. of India). | | | | |
| 5. | *Collieries*— | | | | |
| | (1) Bhurbunda | | 61,44,558/-<br>64,73,445/-<br>66,42,620/- | (1) 1945-46 : Profit of Rs. 10,121<br>1946-47 : Loss of Rs. 2,18,763.<br>1947-48 : Loss of Rs. 2,99,000. | Particulars in respect of incomes of private collieries are not available and therefore, a comparison with the income of such collieries cannot be made. |
| | (2) Kargali | | 66,96,205/-<br>97,49,374/-<br>1,19,57,146/- | (2) 1945-46 : Profit of Rs.12,15,676.<br>1946-47 : Profit of Rs.22,53,346.<br>1947-48 : Profit of Rs. 8,32,000. | |

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| | | Rs- | | | |
| (3) Kurharbaree | | 45,20,792. | (3) 1945-46 : Loss of | Rs. 9,61,824. | |
| | | 36,16,197. | 1946-47 : do | Rs. 17,30,557. | |
| | | 30,14,121. | 1947-48 : do | Rs. 20,24,000. | |
| (4) Serampore | | 31,90,134. | (4) 1945-46 : Loss of | Rs. 1,17,070. | |
| | | 31,90,134. | 1946-47 : do | Rs. 9,50,508. | |
| | | 36,98,455. | 1947-48 : do | Rs. 19,81,000. | |
| (5) Joint Bokaro | | 26,12,404. | (5) 1945-46 : Profit of | Rs. 50,81,048. | |
| | | 35,49,412. | 1946-47 : do | Rs. 54,12,424. | |
| | | 96,37,567. | 1947-48 : do | Rs. 36,80,000. | |
| (6) Joint Sawang | | 15,90,923. | (6) 1945-46 : Profit of | Rs. 36,593. | |
| | | 14,87,668. | 1946-47 : Loss of | Rs. 1,68,060. | |
| | | 13,50,681. | 1947-48: do | Rs. 1,09,000. | |
| (7) Jarangdih | | 80,87,376. | (7) 1945-46 : Loss of | Rs. 2,11,453. | |
| | | 77,98,924. | 1946-47 do. | Rs. 4,67,844. | |
| | | 79,03,922. | 1947-48 : do. | Rs. 6,56,000. | |
| (8) Talcher | | 51,78,236. | (8) 1945-46 : Profit of | Rs. 3,52,748. | |
| | | 56,30,580. | 1946-47 : Loss of | Rs. 57,712. | |
| | | 60,82,841. | 1947-48 | Nil. | |
| (9) Kurasia | | 23,75,154. | (9) 1945-46 : Profit of | Rs. 18,27,930. | |
| | | 22,44,031. | 1946-47 : do. | Rs. 6,43,872. | |
| | | 23,24,945. | 1947-48 : do. | Rs.19,30,000. | |
| (10) Argada | | 20,71,189. | (10) 1945-46 : Profit of | Rs. 3,11,625. | |
| | | 8,96,205. | 1946-47 : Loss of | Rs. 6,82,927. | |
| | | 1,30,063. | 1947-48 : Profit of | Rs. 93,000. | |
| (11) Duelbera | | 22,50,533. | (11) 1945-46 : Profit of | Rs. 4,286. | |
| | | 25,36,965. | 1946-47 : Loss of | Rs. 96,610. | |
| | | 24,19,751. | 1947-48 : do. | Rs. 3,83,000. | |

(All these are wholly owned by the Government of India).

(The figures for 1947-48 are provisional in all cases).

| | | | | | |
|---|---|---|---|---|---|
| 6. | Indian Telephone Industries manufacturing telephone equipment. (Wholly owned by the Government of India). | It is proposed to form the I.T.I. into a company in which 90 % shares will be owned by the Govt. and the remaining 10 % by A.T.E. Co. Ltd. | Rs.25 lakhs during 1948-49 approx. (Budgeted) | Work of the factory started only in July, 1948, and it is still in the formative stage. | Does not arise. |
| 7. | 3 P & T. Workshops at Calcutta, Bombay and Jubbulpore exclusi vely meant for the manufacture of telegraph and telephone stores required by the Department. (Wholly owned by Govt. of India). | | 23,07,940/- | Accounts of these workshops are not maintained on commercial lines and no balance sheet is prepared annually to reckon the profit or loss. | Does not arise. |
| 8. | Postal Seals Office, Aligarh, for the manufacture of stamps and seals required by the P. & T. Department. | | No capital has been invested as work is entrusted to contractors. | Does not arise. | Does not arise. |
| 9. | Air India International which operates a scheduled air service between India and U.K. (Partly owned by the Government of India). | 49% | Government share of the capital is Rs. 98 lakhs. | The company started functioning in June, 1948. Their financial returns are not yet available. | Does not arise. |

**Shri Kishorimohan Tripathi**: Have any of the Government concerns been running at a loss?

**The Honourable Dr. Syama Prasad Mookerjee**: Some at a loss; some at a profit.

**Shri Kishorimohan Tripathi**: Have there been any labour strikes in any of the industries owned by Government?

**The Honourable Dr. Syama Prasad Mookerjee**: There have been some strikes sometimes, but not to the unfortunate extent as in the case of private industries.

**Shri H. V. Kamath**: Will the Honourable Minister tell us what percentage of the capital is owned by foreign concerns in those industrial concerns which are partly owned by Government?

**The Honourable Dr. Syama Prasad Mookerjee**: I have given all the information in the statement.

**Shri H. V. Kamath**: Even foreign capital?

**The Honourable Dr. Syama Prasad Mookerjee**: There is no foreign capital.

**Shri H. V. Kamath**: None at all?

**Lala Achint Ram**: What are the industries running at a loss?

**The Honourable Dr. Syama Prasad Mookerjee**: I have given all the figures in the statement.

**Shri B. P. Jhunjhunwala**: Taking all the industries together, may I know whether Government is making profit or loss in these industries?

**The Honourable Dr. Syama Prasad Mookerjee**: We have not been looking at things on a commercial basis.

**Shri B. P. Jhunjhunwala**: Whether it is on a commercial basis or not, can the Government say whether taking all these industries together, they have been running at a loss or profit?

**The Honourable Dr. Syama Prasad Mookerjee**: I can say with regard to collieries, for instance, that the loss was Rs. 54 lakhs and profit Rs. 60 lakhs. Taken as a whole, they have been running at a profit.

**Shri H. V. Kamath**: Am I to understand that in the partly-owned Government concerns there is no foreign capital at all, or is it that the figures in the statement do not contain this information?

**The Honourable Dr. Syama Prasad Mookerjee**: There is no foreign capital yet in any of these factories.

**Dr. P. S. Deshmukh**: Are the provincial governments at liberty to start their own industries if there is no substantial help required from the Centre?

**The Honourable Dr. Syama Prasad Mookerjee**: Yes, they can start their own industries. Certainly. But of course if they require help in regard to raw-materials, capital goods etc. previous approval of Government has to be taken.

**Shri B. P. Jhunjhunwala**: Has Government given any dividends to shareholders in such industries as are partly owned by Government and partly by private persons?

**The Honourable Dr. Syama Prasad Mookerjee**: I believe that the shareholders are Government.

EMPLOYEES OF NEUTRAL CONTROL, I.R.C.A.

*1490. **Shri Harihar Nath Shastri:** Will the Honourable Minister of Railways be pleased to state:

(a) whether it is a fact that the staff working under Neutral Control I.R.C.A. are not treated as Railway employees; and

(b) whether the clerks under Neutral Control have been fixed in the lowest scales of pay?

**The Honourable Shri K. Santhanam:** (a) and (b). The replies are in the affirmative. The clerks under Neutral Control have merely routine functions and the scales have been fixed in accordance with the qualifications required to perform them.

**Shri Harihar Nath Shastri:** Is it a fact that the I.R.C.A. staff is required to frame rules in regard to commercial and technical subjects and to look after the inter-change of Neutral staff from one Railway to another? If so, why are they not treated as railway employees?

**The Honourable Shri K. Santhanam:** The I.R.C.A. is technically a non-government body. Therefore, the staff of Neutral Control are not treated as railway employees. Their pay has, however, been fixed in the prescribed scales with the approval of the Railway Board.

**Shri Harihar Nath Shastri:** Again, the question that I desire to ask is that in view of the fact that these people employed in the I.R.C.A. are required to perform duties. . .

**Mr. Speaker:** Order, order. The honourable member is trying to argue. The reply is that I.R.C.A. is not a Government body, therefore they are not treated as railway employees. That is how I understood the Honourable Minister. Why they should not be treated as such is a different question altogether. Let him put another question for information.

**Shri Harihar Nath Shastri:** Is it a fact that a representation was made to the Railway Board on behalf of the employees of the I.R.C.A. in regard to their grievances and also to request that in view of the fact that they perform duties that normally railway employees were required to perform, they should be put on the regular railway service?

**The Honourable Shri K. Santhanam:** The question of the future of the I.R.C.A. is under consideration. But as at present constituted, it is entirely an independent organisation and the staff of the I.R.C.A. are staff over which the Railway Board has no control whatsoever. I am not aware of the representation, but there may have been such representations.

**Shri Harihar Nath Shastri:** Is the question of the re-organisation of the staff of the I.R.C.A. receiving the attention of Government?

**The Honourable Shri K. Santhanam:** It all depends upon the future of the I.R.C.A. If it is amalgamated with the Railway Board, naturally its staff also would become railway staff. But till then they will be treated as independent staff of the I.R.C.A.

COMPENSATION PAID FOR SETTLEMENT OF RAILWAY CLAIMS

*1491. **Shri R. L. Malviya:** (a) Will the Honourable Minister of Railways be pleased to state the total amount of compensation paid for settlement of claims during the years 1947-48 and 1948-49 by each of the Railways?

(b) What is the amount, out of the total, which has been paid on account of decrees passed by courts of law?

(c) Out of the total decretal amount paid, how much was paid in execution of decrees passed *ex parte* against each of the Railways?

(d) What was the cost of litigation on claims for compensation borne by each of the Railways?

(e) What are the amounts paid towards the costs of suits and interest to the decree-holders by each of the Railways?

(f) What is the number of claims for compensation instituted against each of the Railways during the years 1947-48 and 1948-49?

(g) How many of these cases have been decided in favour of each of the Railways?

(h) What steps have Government taken so far or propose to take for expediting settlements of Railway claims?

(i) What action do Government propose to take against the officers found guilty of laches in settlement of claims?

**The Honourable Shri K. Santhanam:** (a) to (g). A statement setting out the information as readily available for the year 1947-48 is laid on the table of the House. Figures for the year 1948-49 have not yet been compiled as the year is not over yet and will be laid on the table of the House when ready.

(h) I would invite the honourable member's attention to my reply given on the floor of the House to part (d) of Starred Question No. 749 asked by Shri B. N. Munavalli on the 28th February 1949.

(i) The work of all Claims Officers and senior staff concerned is subjected to close scrutiny from time to time and Railways have already been instructed to take action as found necessary.

STATEMENT

| Reference to question No. | Detail | Assam | B.N. | B.B.&C.I. | E.I. | E.P. | G.I.P. | M. & S.M. | O.T. | S.I. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (a) | Total amount of compensation paid for settlement of claims. | 6,22,048 | 23,36,119 | 10,04,000 | 39,84,484 | 2,88,841 | 16,99,367 | 12,01,957 | 15,39,895 | 5,11,146 |
| (b) | Amount of the total which has been paid on account of decrees by Courts of Law. | * | 25,037 | 1,900 | 2,04,468 | 11,449 | * | 23,815 | * | 29,975 |
| (c) | Out of the total decretal amount paid, how much was paid in execution of decrees *ex parte* against each Ry. | * | * | 76 | * | 1,244 | * | *Nil.* | * | *Nil.* |
| (d) | Cost of litigation of claims for compensation borne by each Railway. | 12,733 | 15,904 | 10,152 | 1,55,000 | 2,022 | 22,096 | 2,287 | 57,787 | 7,421 |
| (e) | Amount paid towards the cost of suits and interest to the decree holders by each of the Railways. | * | * | 266 | * | 301 | * | 4,739 | * | 4,763 |
| (f) | Number of court cases for claims instituted against the Railways during the year. | No. 1,379 | 1,847 | 1,503 | 4,605 | 445 | 5,098 | 867 | 3,590 | 201 |
| (g) | How many of these cases have been decided in favour of each railway. | No.* | 52 | 47 | 576 | 39 | * | 191 | * | 53 |

*Not available. Statistics are not maintained.

**Shri Kishorimohan Tripathi:** Is it a fact that most of the cases on account of claims could not have gone to court if the claims had been settled in proper time?

**Mr. Speaker:** It is a matter of opinion.

**Shri Arun Chandra Guha:** What is the amount of claims paid in 1947-48 and the amount of claims paid in 1938-39?

**The Honourable Shri K. Santhanam:** The figures for 1947-48 according to the railways are given in the statement laid on the Table. I have not got the figures for 1938-39, but if the honourable member wants, I am prepared to supply.

**Pandit Mukut Bihari Lal Bhargava:** What is the average time taken for the settlement of these claims?

**The Honourable Shri K. Santhanam:** I do not think the average has been worked out.

**Shri Deshbandhu Gupta:** Can he give at least the figures for 1947-48 and 1948-49, so that we may have an idea of same and if any supplementaries have to be asked, they may be asked?

**The Honourable Shri K. Santhanam:** I have given figures for 1947-48 according to each Railway. If you want, I can read them out.

**Shri Deshbandhu Gupta:** I want the total.

**Mr. Speaker:** Are any totals made up?

**The Honourable Shri K. Santhanam:** Total amount of compensation paid are as follows:

| | Rs. |
|---|---|
| Assam Railway | 6,22,048 |
| B. N. Railway | 23,36,119 |
| B. B. & C. I. Railway | 10,04,000 |
| E. I. Railway | 39,84,484 |
| E. P. Railway | 2,88,841 |
| G. I. P. Railway | 16,99,367 |
| M. S. M. Railway | 12,01,957 |
| O. T. Railway | 15,39,895 |
| S. I. Railway | 5,11,146 |

**Shri Arun Chandra Guha:** Is it not a fact that the claims paid in 1947-48 are four or five times more than that paid in 1938-39?

**The Honourable Shri K. Santhanam:** The honourable member is probably correct. I have not got the figures.

**Mr. B. Poker:** May I know what is the percentage of cases in which suits are decreed against the Railways and what is the percentage of cases in which suits are dismissed as against the Railways?

**The Honourable Shri K. Santhanam:** I have got in the statement figures giving the number of court cases for claims instituted against the railways during the current year and the number of cases decided in favour of each railway, but the other figures I have not got, but I am prepared to supply them to the honourable member.

**Shri Arun Chandra Guha:** Has the Government enquired into the cause of this abnormal rise in the amount of claims paid by Railways?

**The Honourable Shri K. Santhanam:** Yes, Sir. The confusion which occurred in the year 1947-48 and the pilferage and loss that occurred led to

these enormous claims. Steps have been taken, as I have already informed the House, to liquidate all the claims and to see that the claims bill is reduced as quickly as possible.

**Shri Mahavir Tyagi:** May I know if any part of these losses is realized from the officials due to whose neglect they occurred?

**The Honourable Shri K. Santhanam:** I do not know if any loss can be traced to any particular official.

**Shri Mahavir Tyagi:** But is an enquiry held in every case?

**The Honourable Shri K. Santhanam:** Every case is investigated as to how an article has been lost. It is traced from the beginning to the end, but because there are a large number of officials from the beginning to the end, it is difficult to fix the responsibility on a particular official or officials.

**Shri B. P. Jhunjhunwala:** What is the litigation cost that Government has to pay on the whole?

**The Honourable Shri K. Santhanam:** The cost of litigation is given in the statement:

| | Rs. |
|---|---|
| Assam Railway | 12,733 |
| B. N. Railway | 15,904 |
| B. B. and C. I. Railway | 10,152 |
| E. I. Railway | 1,55,000 |
| E. P. Railway | 2,022 |
| G. I. P. Railway | 22,096 |
| M. S. M. Railway | 2,287 |
| O. T. Railway | 57,787 |
| S. I. Railway | 7,421 |

**Shri Deshbandhu Gupta:** Is it a fact that . . . .

**Mr. Speaker:** Order, order. I wish to go to the next question.

**Shri Deshbandhu Gupta:** Just one question.

**Mr. Speaker:** There are so many who wish to put one question each.

SUPPLY OF TATAS COAL TAR TO DISTILLERS

*1492. **Shri R. L. Malviya:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that a representation has been made to Government by distillers like the Bengal Chemical and Pharmaceutical Works, Limited, Shalimar Tar Products and other companies to make Tata's coal tar available to them for distillation? If so, what steps have been taken or are proposed to be taken by Government in the matter?

(b) What are the various uses of coal tar and the quantity produced in India?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) Representations have been made by the distillers association to make Tatas tar available to them for distillation. The matter has been taken up with Tatas and they have informed that the position of coal tar would improve by April, 1949.

(b) The production of tar in India is nearly 62,000 tons to 65,000 tons per annum out of which Tatas production is about 40,000 tons.

Coal tar is used for producing the following:

(i) Creosote oil (light).

(ii) Creosote oil (heavy).

(iii) Phenol.

(iv) Napthalene.

(v) Road tar.

**Shri H. V. Kamath:** Arising out of the answer to part (b) of the question, is it a fact that coal tar has often been used for blackening and disfiguring undesirable and hateful objects?

**Mr. Speaker:** Order, order.

**Dr. P. S. Deshmukh:** Is there any possibility of manufacturing more coal tar anywhere? Have Government any scheme in this regard.

**The Honourable Dr. Syama Prasad Mookerjee:** Tata's have a definite scheme for which they have fixed up plants and they will increase production by April 1949. I know of no other scheme.

**Shri S. V. Krishnamoorthy Rao:** Is there any scheme to manufacture dye-stuffs from coal tar?

**The Honourable Dr. Syama Prasad Mookerjee:** We have a plan now for the manufacture of dye-stuffs but that has not matured yet.

**Pandit Mukut Bihari Lal Bhargava:** What is the total quantity of coal tar imported into India?

**The Honourable Dr. Syama Prasad Mookerjee:** I have not the figures here.

**Shri Ram Chandra Upadhyaya:** May I know whether Tata's is using the coal tar as fuel?

**The Honourable Dr. Syama Prasad Mookerjee:** There was that complaint made sometime ago when on account of wagon difficulties they were not in a position to use fuel oil. Of course that has been checked now.

### LAND RECLAMATION IN C. P. AND BERAR BY TRACTORS

***1493. Shri R. L. Malviya:** Will the Honourable Minister of Agriculture be pleased to state:

(a) how many tractors have been lent to the Government of the Central Provinces and Berar for reclamation purposes and on what terms;

(b) the capacity of the tractors and how much land has so far been reclaimed; and

(c) how much land in the Central Provinces is to be reclaimed and how long it would take to complete the reclamation programme?

**The Honourable Shri Jairamdas Doulatram:** (a) The Central Tractor Organisation of the Ministry of Agriculture is operating 96 tractors for reclamation purposes in the Central Provinces and Berar during the current season. The work is being done on a 'no-profit no-loss' basis.

(b) The Tractors used in the C. P. are rehabilitated tractors taken over from the Disposals Directorate. Each tractor can reclaim approximately half an acre per hour. A total area of 12,716 acres was reclaimed in the C.P. up to 21st March, 1949.

(c) During the current season a total area of 60,000 acres is proposed to be reclaimed in C.P.

The total area of weed-infested land in the C.P., requiring reclamation operations is 6,00,000 acres. It is proposed to reclaim the entire area within a period of seven years under another scheme, which is at present under the consideration of the Government of India.

**Shri Kishorimohan Tripathi:** May I know if Government propose to reclaim land in the merged States in the Central Provinces?

**The Honourable Shri Jairamdas Doulatram:** I believe that at present there is no scheme for those areas but all the land which is available in the Central Provinces, including the merged areas will be ultimately reclaimed under the new scheme.

**Shri R. K. Sidhva:** May I know whether the tractor capacity as stated by the Honourable Minister is actual or does it relate to that which is required to be reclaimed only by each tractor?

**The Honourable Shri Jairamdas Doulatram:** This has been worked out as a result of experience.

**Shri B. P. Jhunjhunwala:** What is the cost of reclamation per acre for each tractor? That is, what is the cost of the tractor for reclaiming one acre of land before it is ready for plantation?

**The Honourable Shri Jairamdas Doulatram:** We are calculating on the basis of Rs. 8-8-0 for ploughing per tractor hour, but the actual cost will be estimated at the end of the operations and the Provincial Government will be charged the actual expenses and not the estimated expenses.

**Shri H. V. Kamath:** What is the Honourable Minister's estimate of the total land available for reclamation in the whole of India?

**The Honourable Shri Jairamdas Doulatram:** Well, it is said that there are about six crores of acres.

**Shri Ajit Prasad Jain:** May I know how much food has been grown on the land reclaimed by these tractors in the Central Provinces?

**The Honourable Shri Jairamdas Doulatram:** The average is one-third of a ton per acre.

**Pandit Mukut Bihari Lal Bhargava:** May I know what portion of the cost is borne by the Provincial Government on these reclamation schemes and what portion is borne by the Central Government?

**The Honourable Shri Jairamdas Doulatram:** The entire cost is borne by the Provincial Government.

### Operators in Central Tractor Organisation

***1494. Shri H. V. Kamath:** Will the Honourable Minister of Agriculture be pleased to state:

(a) the hours, conditions of work and pay scales of tractor operators employed in the Central Tractor Organisation;

(b) whether any representations have been received from them in this regard; and

(c) if so, what action Government propose to take in the matter?

**The Honourable Shri Jairamdas Doulatram:** (a) Tractor Operators in the Central Tractor Organisation have to work for 8 hours a day. In view of the short ploughing season, it is necessary to operate the machines up to 10 hours per day and for this purpose two operators, one driver and the other mate, are attached to each tractor. These two operators between themselves are required to work the machine for 10 hours provided that no individual, either driver or mate, works for more than 8 hours a day.

A statement giving the scale of pay, dearness allowance, leave and T. A. for the operators is placed on the table of the House.

(b) and (c). A representation was received recently from the workers of two units engaged on heavy reclamation operations in the Central Provinces. This was due to a misunderstanding on the part of certain workers that they were required to work for ten hours per day. This misunderstanding has been removed.

STATEMENT

*Pay scales, allowances etc. of the Tractor Operators.*

| | Basic pay | Usual Dearness and other compensatory allowances. | Leave | Travelling allowance. |
|---|---|---|---|---|
| Operators employed on heavy reclamation operations. | Rs. | | | |
| (i) Tractor Drivers | 90-5-120 | About Rs. 60/- p.m. | Casual leave is admissible at the rate of 20 days in a year. Earned leave on average pay is admissible at the rate of one eleventh of the period spent on duty. | Second class railway fare is admissible while travelling on duty. |
| (ii) Mates | 60-5/2-75 | About Rs. 60/-p.m. | | |
| Operators employed on mechanical cultivation operations. | | | | |
| (i) Tractors Drivers | 75-3-105 | Rs. 45/- p.m. | | |
| (ii) Mates | 60-5/2-75 | Rs.45/- p.m. | | |

*Note.*—In addition, the staff employed on heavy reclamation operations is granted field allowance at the rates indicated below while on operational duties :—

Tractor Drivers . . . . Rs. 0-2-4.8 per hour for actual hours of driving.

Mates . . . . . Rs. 0-1-6 per hour the machine works *plus* additional driving bonus at Rs. 0-1-6 for every hour he actually drives a tractor.

**Shri H. V. Kamath**: How many tractors go into operation daily here?

**Mr. Speaker**: Here—that is in Delhi?

**Shri H. V. Kamath**: Here, in Delhi.

**The Honourable Shri Jairamdas Doulatram**: There are three tractors under the Central Government for operations in the Centrally Administered areas.

**Shri Brajeshwar Prasad**: What is the total number of the tractor operators?

**The Honourable Shri Jairamdas Doulatram**: For the heavy tractors, there are 180 drivers and 180 mates: and there are 280 drivers and 280 mates for the light tractors.

**Sreematty Annie Mascarene**: May I know whether Government has lent tractors to States and if so which of them?

**The Honourable Shri Jairamdas Doulatram**: Government is operating in the Madhya Bharat and Matsya Unions and it is also willing to operate in any other State.

## RULES FOR RECRUITMENT OF INSPECTORS OF POST OFFICES AND R.M.S.

*1495. **Shri H. V. Kamath**: Will the Honourable Minister of Communications be pleased to state:

(a) whether it is a fact that rules for recruitment to the cadre of Inspectors of Post Offices and R.M.S. were changed in 1938;

(b) if so, whether there was a further revision in 1943; and

(c) whether any officials who topped the list of successful candidates were, in spite of the revised rules, not selected?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) to (c). Before, 1938, the method of recruitment was by means of a qualifying examination of candidates nominated by the Divisional Officers. In 1938, the procedure was revised and recruitment by means of a competitive written examination was introduced. In 1943, the method of recruitment by written competitive examination was replaced by one of a qualifying written examination followed by selection by a Selection Board by interview. The reason for this revision was that a purely written examination did not provide for assessment of certain qualitities essential for the nature of work required of Inspectors, namely, personality, mental alertness and good physique. The revised procedure gave rise to complaints, as in several cases candidates who had attained high positions in the written examination, failed to be selected by the Selection Board. The position has now been rectified. Henceforth the examination will be in two parts, written examination followed by the interview of a Board. Marks will be awarded in both parts and the order of merit will be according to total marks in the two parts. To remove hardship, all the persons who had obtained qualifying marks in the 1943 and 1944 examinations are being allowed to appear in the next examination which is due to be held this Summer.

**Shri H. V. Kamath:** Was the anomalous position rectified only very recently?

**Shri Khurshed Lal:** Yes.

**Shri H. V. Kamath:** When?

**Shri Khurshed Lal:** Only last year.

## Posts of Check Supervisors in R. M. S.

*1496. **Shri H. V. Kamath:** Will the Honourable Minister of Communications be pleased to state:

(a) whether it is a fact that posts of Check Supervisors in the R.M.S. were created over five years ago;

(b) if so, whether they have been made permanent;

(c) whether the question of converting posts of supervisors into lower selection grade appointments was considered two years ago; and

(d) whether the procedure for appointment to these posts is uniform throughout India, and if not, what are the variations?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) The posts were created in October, 1944.

(b) No.

(c) Yes.

(d) Yes, the procedure is uniform.

## Efficiency Drive in Posts and Telegraphs Department

*1497. **Shri H. V. Kamath:** Will the Honourable Minister of Communications be pleased to state:

(a) whether it is a fact that the Posts and Telegraphs Department recently launched an efficiency drive and set up a complaints section; and

(b) if so, what results have been achieved?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) Yes.

(b) The result is reflected in the improved working of the Department, which is indicated in the Brochure distributed recently to the honourable members.

**Shri H. V. Kamath:** Did this efficiency drive reveal that all the employees were uniformly efficient, or was at least one inefficient employee discovered?

**Shri Khurshed Lal:** The efficiency drive was designed more to discover the defects in the working of the organisation.

**Shri H. V. Kamath:** Were any defects revealed at all?

**Shri Khurshed Lal:** Yes and the drive resulted in an improvement in the working.

**Shri Mahavir Tyagi:** Also in the telephones?

**Shri Khurshed Lal:** Oh, yes.

**Shri H. V. Kamath:** May I know whether inefficient employees were taken to task as a result of the drive?

**Shri Khurshed Lal:** As I said this drive was designed not with regard to individuals but with regard to the system and the working of the system.

**Shri H. V. Kamath:** What were the defects revealed by the drive?

**Shri Khurshed Lal:** To answer that question I will have to cover the entire field of the activities of the department.

**Shri H. V. Kamath:** If the question be relevant, Sir, you may call upon the Honourable Minister to answer the question.

**Mr. Speaker:** Order, order. I do not propose to allow it. Next question.

## PURCHASE AND SALE PRICES OF IMPORTED CEREALS

***1498. Shri Kishorimohan Tripathi:** (a) Will the Honourable Minister of Food be pleased to state the average price per ton of cereals imported as at ports of arrival during the years 1947 and 1948?

(b) At what price per ton were the sales made during the same period?

(c) What was the loss or gain per ton?

**The Honourable Shri Jairamdas Doulatram:** (a) A statement (No. I) showing the pool price, which represents the average cost of different food grains for delivery export Commissioner Transit shed, during the years 1947 and 1948 is laid on the table of the House.

(b) Two statements (Nos. II and III) showing the selling prices of different imported foodgrains to recipient Administration during the period from 1st January, 1947 to 31st December, 1947 and from 1st January, 1948 to 30th September, 1948 are laid on the table of the House. The subsidised rates for the period 1st October, 1948 to 31st December, 1948 have not yet been fixed as the necessary data has not yet been received from the Provincial and States Governments. In the meantime they are being charged the full landed cost and necessary readjustment would be made later.

(c) The total amount of subsidy borne by the Government of India during 1947-48 amounted to Rs. 17·12 crores. It roughly works out to Rs. 64 per ton for all cereals and for all recipient areas. The amount estimated to be paid during 1948-49 is Rs. 22·52 crores or Rs. 80 per ton for all cereals and for all areas.

## STATEMENT I

*Pool price, which represents the average cost of food grains for delivery ex-port Commissioner Transit shed, was as follows during 1947 and 48*

| Commodity | Price per maund bagged. | | |
|---|---|---|---|
| | 1-1-47 to 31-5-47 | 1-6-47 to 31-12-47 | 1-1-48 to 31-12-48 |
| 1 | 2 | 3 | 4 |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| Wheat | 11 0 0 | 18 14 0 | 17 0 0 |
| Wheat flour | 13 6 0 | 20 1 0 | 21 10 0 |
| Rice | 17 2 0 | 15 14 0 | 22 11 0 |
| Maize | 13 9 0 | 11 4 0 | 15 15 0 |
| Barley | 13 9 0 | 11 4 0 | 17 4 0 |
| Millets | 13 9 0 | 11 4 0 | 16 4 0 |

## STATEMENT II

*Selling rates of food grains to recipient administrations per maund.*
*(1st January 1947 to 31st December 1947)*

| Name of Province | Wheat | Wheat flour | Rice | Maize, Millets & Barley | Remarks |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| Madras | 9 8 0 | 13 6 0 | 8 5 0 | 6 6 0 | |
| Bihar | 11 13 0 | 17 0 0 | 9 5 0 | 7 5 0 | 7 4 0 (Milo) |
| Bengal | 10 0 0 | 13 6 0 | 11 9 0 | 7 13 0 | |
| Assam | 9 8 0 | 13 6 0 | .. | .. | |
| Orissa | 9 8 0 | 14 4 0 | .. | .. | |
| Bombay | 9 8 0 | 13 6 0 | 11 0 0 | 7 5 0 | |
| Central Provinces | 9 8 0 | 13 6 0 | .. | 6 5 0 | |
| Delhi | 8 13 0 | 13 6 0 | .. | 7 5 0 | |
| Punjab | 9 14 6 | .. | .. | 6 9 6 (Barley). | |
| United Provinces | 9 12 0 | 13 6 0 | 13 0 0 | 6 5 0 | |
| Ajmer | 9 10 0 | 13 11 0 | 17 2 0 | 7 5 0 | |
| | *1-1-47 to 31-5-47* | | | | |
| States, Defence, Private parties and Foreign Administrations. | 11 0 0 | 13 6 0 | 17 2 0 | 13 9 0 | |
| | *1-6-47 to 31-12-47.* | | | | |
| | 18 14 0 | 20 1 0 | 15 14 0 | 11 4 0 | |

## STATEMENT III

*Selling rates export Commissioner Transit Shed of imported food grains to recipient administrations from 1-1-48 to 30-9-48*

| Name of Province and Administration | Wheat | | Wheat Flour | | Rice | | Maize | | Barley | | Millo & Millets | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Period | Rate | Period | Rate | Period | Rate | Period | Rate | Period | Rate | Period | Rate |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| | | Rs. | | Rs. | | Rs. | | Rs. | | Rs. | | Rs. |
| Madras | | | | | 1-1-48 to 31-3-48 | 15 9 0 | 1-1-48 to 31-1-48 | 10 8 0 | | | 1-1-48 to 31-1-48 | 10 2 0 |
| | | | | | | | 1-2-48 to 29-2-48 | 9 15 0 | | | 1-2-48 to 29-2-48 | 9 15 0 |
| | | | | | 1-4-48 to 31-5-48 | 15 8 0 | 1-3-48 to 31-3-48 | 10 3 0 | | | 1-3-48 to 31-3-48 | 10 0 0 |
| | | | | | 1-6-48 to 30-6-48 | 15 7 0 | 1-4-48 to 30-4-48 | 10 4 0 | | | 1-4-48 to 30-4-48 | 10 2 0 |
| | | | | | | | 1-5-48 to 31-5-48 | 10 9 0 | | | 1-5-48 to 31-5-48 | 10 1 0 |
| | | | | | | | 1-6-48 to 30-6-48 | 10 1 0 | | | 1-6-48 to 30-6-48 | 10 4 0 |
| 888 | 1-1-48 to 30-9-48 | 17 0 0 | 1-1-48 to 30-9-48 | 21 10 0 | 1-1-48 to 30-9-48 | 22 11 0 | 1-1-48 to 30-9-48 | 15 15 0 | 1-1-48 to 30-9-48 | 17 4 0 | 1-1-48 to 30-9-48 | 16 4 0 |
| West Bengal | 1-1-48 to 30-6-48 | 11 5 0 | 1-1-48 to 31-1-48 | 14 7 0 | 1-1-48 to 22-2-48 | 15 15 0 | 1-1-48 to 30-9-48 | 15 15 0 | 1-1-48 to 30-6-48 | 13 2 0 | | |
| | 1-7-48 to 31-7-48 | 13 7 0 | 1-2-48 to 29-2-48 | 15 5 0 | 23-2-48 to 30-9-48 | 17 1 0 | | | 1-7-48 to 31-7-48 | 15 4 0 | | |
| | 1-8-48 to 31-8-48 | 13 12 0 | 1-3-48 to 31-3-48 | 15 0 0 | | | | | 1-8-48 to 31-8-48 | 15 6 0 | | |
| | 1-9-48 to 30-9-48 | 13 7 0 | 1-4-48 to 30-4-48 | 16 1 0 | | | | | 1-9-48 to 30-9-48 | 15 4 0 | | |
| | | | 1-5-48 to 31-5-48 | 15 11 0 | | | | | | | | |
| | | | 1-6-48 to 30-6-48 | 15 7 0 | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 1-7-48 | 19 | 15 | 0 | | | | | | | | | | | | | | |
| | | | | | | | 31-7-48 | | | | | | | | | | | | | | | | | |
| | | | | | | | 1-8-48 | 20 | 12 | 0 | | | | | | | | | | | | | | |
| | | | | | | | 31-8-48 | | | | | | | | | | | | | | | | | |
| | | | | | | | 1-9-48 | 20 | 4 | 0 | | | | | | | | | | | | | | |
| | | | | | | | 30-9-48 | | | | | | | | | | | | | | | | | |
| Assam | | | 1-1-48 | 12 | 3 | 0 | 1-1-48 | 17 | 10 | 0 | 1-1-48 | 15 | 11 | 0 | | | | | | | | | | |
| | | | 30-9-48 | | | | 30-9-48 | | | | 30-9-48 | | | | | | | | | | | | | |
| Bihar | | | 1-1-48 | 14 | 1 | 0 | 1-1-48 | 19 | 5 | 0 | 1-1-48 | 15 | 0 | 0 | 1-1-48 | 10 | 4 | 0 | 1-1-48 | 11 | 6 | 0 | | |
| | | | 7-2-48 | | | | 7-2-48 | | | | 7-2-48 | | | | 7-2-48 | | | | 7-2-48 | | | | | |
| | | | 8-2-48 | 16 | 5 | 0 | 8-2-48 | 20 | 10 | 0 | 8-2-48 | 17 | 11 | 0 | 8-2-48 | 11 | 4 | 0 | 8-2-48 | 12 | 1 | 0 | | |
| | | | 31-5-48 | | | | 31-5-48 | | | | 31-7-48 | | | | 30-9-48 | | | | 30-9-48 | | | | | |
| | | | 1-6-48 | 17 | 0 | 0 | 1-6-48 | 21 | 10 | 0 | 1-8-48 | 18 | 6 | 0 | | | | | | | | | | |
| | | | 30-9-48 | | | | 30-9-48 | | | | 30-9-48 | | | | | | | | | | | | | |
| U. P. | | | 1-1-48 | 12 | 5 | 6 | 1-1-48 | 16 | 12 | 0 | | | | | 1-1-48 | 9 | 14 | 0 | 1-1-48 | 11 | 8 | 0 | | |
| | | | 31-8-48 | | | | 31-8-48 | | | | | | | | 31-8-48 | | | | 31-8-48 | | | | | |
| | | | 1-9-48 | 15 | 13 | 0 | 1-9-48 | 21 | 10 | 0 | | | | | 1-9-48 | 11 | 8 | 0 | 1-9-48 | 13 | 7 | 0 | | |
| | | | 30-9-48 | | | | 30-9-48 | | | | | | | | 30-9-48 | | | | 30-9-48 | | | | | |
| East Punjab | | | 1-1-48 | 12 | 4 | 0 | | | | | | | | | | | | | 1-1-48 | 10 | 2 | 4 | | |
| | | | 20-6-48 | | | | | | | | | | | | | | | | 20-6-48 | | | | | |
| | | | 21-6-48 | 11 | 14 | 0 | | | | | | | | | | | | | 21-6-48 | 9 | 5 | 0 | | |
| | | | 30-9-48 | | | | | | | | | | | | | | | | 30-9-48 | | | | | |
| Himachal Pradesh upto | | | 30-9-48 | 13 | 14 | 0 | | | | | | | | | | | | | | | | | | |
| Delhi | | | 1-1-48 | 11 | 9 | 0 | 1-1-48 | 16 | 2 | 0 | 1-1-48 | 18 | 12 | 0 | 1-1-48 | 10 | 14 | 0 | 1-1-48 | 10 | 13 | 0 | | |
| | | | 30-9-48 | | | | 30-9-48 | | | | 30-9-48 | | | | 30-9-48 | | | | 30-9-48 | | | | | |
| C. P. | | | 1-1-48 | 15 | 3 | 0 | | | | | | | | | | | | | | | | | | |
| | | | 8-5-48 | | | | | | | | | | | | | | | | | | | | | |
| | | | 9-5-48 | 17 | 0 | 0 | | | | | | | | | | | | | | | | | | |
| | | | 30-9-48 | | | | | | | | | | | | | | | | | | | | | |
| Kutch | | | 1-6-48 | 17 | 0 | 0 | | | | | 1-6-48 | 22 | 11 | 0 | 1-6-48 | 12 | 9 | 8 | | | | | 1-6-48 | 3 3 1 0 |
| | | | 30-9-48 | | | | | | | | 30-9-48 | | | | 30-9-48 | | | | | | | | 30-9-48 | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Ajmer-Merwara. | | | | | | | | | | | | |
| *Bombay . . | | | | | | | | | | | | |
| STATES | | | | | | | | | | | | |
| Defence Services, Private parties, Collieries and Foreign Administrations. | 1-1-48 30-9-48 | 17 0 0 | 1-1-48 30-9-48 | 21 10 0 | 1-1-48 30-9-48 | 22 11 0 | 1-1-48 30-9-48 | 15 15 0 | 1-1-48 30-9-48 | 17 4 0 | 1-1-48 30-9-48 | 16 4 0 |

*Rates under fixation

**Shri Kishorimohan Tripathi:** May I know if the entire loss on subsidy as stated has gone towards the relief of the consumer?

**The Honourable Shri Jairamdas Doulatram:** Yes, the provincial governments are not allowed to make any profit.

**Dr. P. S. Deshmukh:** Is it a fact that the food grains imported now are imported at a lower rate than they were imported in the previous years?

**The Honourable Shri Jairamdas Doulatram:** During the last two or three months the prices have fallen.

**Dr. P. S. Deshmukh:** Would it not result in any saving in the subsidy that is proposed to be paid in 1949?

**The Honourable Shri Jairamdas Doulatram:** It will make a saving.

**Babu Ramnarayan Singh:** Has the Honourable Minister got any reports from the provinces as to whether all the previous stocks have been exhausted?

**The Honourable Shri Jairamdas Doulatram:** The stock in no province or state has been exhausted. We take care to see that every state and province has got stocks.

### India's Share of Rolling Stock after Partition

*1499. **Shri Mahavir Tyagi:** (a) Will the Honourable Minister of Railways be pleased to state the total number of wagons and passenger bogies on all Government railways which was apportioned as India's share immediately after the partition of the rolling stock with Pakistan was effected?

(b) How much rolling stock was added to it afterwards?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) As a result of partition of coaching and goods stock on the B. A. and N. W. Railways, 2,889 carriages out of a total of 6 649 belonging to the pre-partition railways and 24,893 wagons out of a total of 62,430 have come to India's share. The actual numbers of coaches and wagons on all the Indian Government Railways on 31st March, 1948 were—

Carriages—17 036.

Wagons—1,96,620.

(b) From 1st April, 1948 to 31st January, 1949, 52 locomotives, 167 carriages and 2,272 wagons have been added and brought into service on the Indian Government Railways.

**Shri Mahavir Tyagi:** May I know if any periodical enumeration of the rolling stock is made by different railways and, if so, when was it last made?

**The Honourable Shri N. Gopalaswami Ayyangar:** I do not understand what the honourable member means by periodical enumeration. If he would clarify that I can answer the question.

**Shri Mahavir Tyagi:** By that I mean the checking of the number of the rolling stock on each railway, whether they are working or out of work, how many new ones have been purchased, whether they are existing on the railways or somewhere else at some other station.

**The Honourable Shri N. Gopalaswami Ayyangar:** There is a daily account kept of coaches and wagons which are in existence on every railway. There is also an account kept of coaches and wagons which are sent over to other railways and also all coaching and wagon stock which have been taken over by the particular railway. There is a regular account kept.

**Shri Mahivir Tyagi:** When the partition of the rolling stock was made between us and Pakistan, was it only a paper transaction or the figures were checked by enumerating the rolling stock on the various railways?

**The Honourable Shri N. Gopalaswami Ayyangar:** What was decided was the total number which should be allocated to India and Pakistan. Individual checking of particular wagons and coaches has not yet been completed.

**Shri Mahavir Tyagi:** May I take it that it was only a partition of the figures and it was not verified that the number allotted to us was actually on the side of India at that time?

**Mr. Speaker:** The Honourable Minister has said that the number is yet to be checked and the checking is going on.

**Shri Mahavir Tyagi:** I only wanted to know whether the number allotted was existing actually on our side or whether it was to be taken over.

**The Honourable Shri N. Gopalaswami Ayyangar:** If it would give satisfaction to the honourable Member I may inform him that as a matter of fact we have more coaches and wagons on the B. G. in India than we are entitled to under the total allocation and Pakistan has a smaller number at the moment.

**Shri Mahavir Tyagi:** That is a different matter. I do not want to know whether you have a bigger share or not. I wanted to know whether you are in possession of the number of wagons which was allotted to you?

**The Honourable Shri N. Gopalaswami Ayyangar:** We have a larger number on our side which means that we are in actual possession of a larger number.

**Shri Arun Chandra Guha:** When this allocation was made may I know whether the coaches and wagons were calculated simply as they were given on paper or were counted and calculated as they were existing and running?

**The Honourable Shri N. Gopalaswami Ayyangar:** I do not think those who participated in the division actually went to each wagon or coach and checked it. They certainly took the number as they appeared in the books and made the division.

**Shri R. K. Sidhva:** May I know whether the wagons containing various consignments booked for Pakistan stations are allowed to go through to the Pakistan stations or they are unloaded at the border of India and the goods are reloaded into Pakistan wagons?

**The Honourable Shri N. Gopalaswami Ayyangar:** They go through. As a matter of fact these figures of the actual numbers in each Dominion will not vary if the wagons do not go through.

**Shri R. K. Sidhva:** Within what period these wagons are returned to our Dominion?

**The Honourable Shri N. Gopalaswami Ayyangar:** They come back whenever there is necessity for the wagons to come back with their proper load.

**Shri R. K. Sidhva:** Has there been complaints of delay in the return of such wagons?

**The Honourable Shri N. Gopalaswami Ayyangar:** There may be delays due to various causes—due to distances, or delays in loading and unloading and so on.

### RECORD OF WAGONS GOING TO AND RETURNING FROM PAKISTAN

***1500. Shri Mahavir Tyagi:** (a) Will the Honourable Minister of Railways be pleased to state whether any record is kept of the wagons that go to Pakistan and of those that return from Pakistan?

(b) What is the present position with regard to the exchange of wagons with Pakistan?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) Regular records are kept of the wagons interchanged between Indian and Pakistan Railways, both by the adjoining Indian Railways and by the Director of Wagon Interchange in New Delhi.

(b) On the 24th of March 1949, the Indian Railways had on their Broad Gauge system 720 more wagons than owned by them and on the Metre Gauge 108 wagons, other than War Department stock, less than owned by them. The War Department Metre Gauge stock has not yet been finally divided between India and Pakistan.

**Shri Mahavir Tyagi:** Is it a fact that at Amritsar an officer keeps a record of the wagons which go to Pakistan and the wagons which return from Pakistan?

**The Honourable Shri N. Gopalaswami Ayyangar:** Yes.

**Shri Mahavir Tyagi:** I was anxious to know as to what is the result at that exchange—whether our wagons which went to Pakistan have actually returned.

**The Honourable Shri N. Gopalaswami Ayyangar:** I have already given that in the answer. As a matter of fact, on the broad gauge we have at the moment more wagons than we are entitled to.

**Srijut Kuladhar Chaliha:** What is the position of the wagons that go to Eastern Pakistan? Do they come back to Assam? May I also know what is the reason for the shortage of wagons for the carriage of goods there?

**The Honourable Shri N. Gopalaswami Ayyangar:** As a matter of fact, the position in Assam is greatly complicated by the fact that we have not yet settled accounts as to the War Department stock a large portion of which is in use in that part of the country.

**Shri H. V. Kamath:** With regard to the wagons whose figures have been given by the Honourable Minister for the 24th March 1949 are all of them in perfect rolling order or have some of them been marked sick by the Railway Inspectors, and if so how many?

**The Honourable Shri N. Gopalaswami Ayyangar:** I cannot vouch for every individual wagon out of that being in perfect order.

**Begum Aizaz Rasul:** May I know the lines on which these wagons are plying?

**The Honourable Shri N. Gopalaswami Ayyangar:** On all lines which I suppose connect India and Pakistan. They are running on all those lines.

**Begum Aizaz Rasul:** What are those lines?

**The Honourable Shri N. Gopalaswami Ayyangar:** All over the country.

**Shri H. V. Kamath:** Have any of them been marked out of order or sick by the railway authorities?

**The Honourable Shri N. Gopalaswami Ayyangar:** If they were actually sick and were unfit for use they would not have been used there.

**Begum Aizaz Rasul:** Are there any other lines besides those between East and West Bengal that are operating between India and Pakistan?

**Mr. Speaker:** On the Western Pakistan side, there are lines.

**Begum Aizaz Rasul:** Do not they stop at Amritsar?

**Mr. Speaker:** Oh, yes. That has been answered by him.

**Begum Aizaz Rasul:** Then how does the question arise as to the wagons going to Pakistan?

**Mr. Speaker:** There are regular goods trains from India to Pakistan—wagons are going and coming.

MANUFACTURE OF BONE MEAL

†*1501. **Prof. N. G. Ranga:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether any estimate has been made of the total supplies of bones available in India and if so, what it is;

(b) what portion of the bones, crushed bones and bone grist is being utilised in India by Indian concerns for the manufacture of bone meal for manurial purposes;

(c) how many concerns are interested in preparing bone meal and what assistance is being given to them by Government; and

(d) whether Government are considering the establishment of Government factory or factories for the manufacture of bone meal?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) The annual output is estimated to be nearly a million tons but the collection is estimated to be two to three lakh tons every year.

(b) There is no manufacture of bone meal as such as bone mill machinery in India is not designed to crush all bones into bone meal. Bone meal is a bye-product obtained in the process of crushing bones and it is estimated that 25 per cent of the bones crushed is available in the form of bone meal.

(c) Fifty seven. Assistance in procurement of raw-materials, transport facilities and disposal of bone meal stocks, is being given.

(d) No, Sir.

NON-PAYMENT OF INCREMENTS AND ACCOMMODATION TO E. P. RAILWAY STAFF

*1502. **Shri Deshbandhu Gupta:** Will the Honourable Minister of Railways be pleased to state:

(a) whether it is a fact that the staff of the East Punjab Railway has not been given any increments since August 1947 and if so, the reasons for same?

(b) what arrangements have been made to provide quarters to them;

(c) the number of persons who have been provided accommodation in Government quarters since August 1947; and

(d) the number of those who applied for the same?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) No. It is only in the case of certain pre-1931 staff whose service records have not yet been received from Pakistan that increments have been delayed. Their cases are under consideration.

(b) A statement showing the position is laid on the table of the House.

(c) 8,941.

(d) 12,856.

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STATEMENT

In addition to a large number of permanent quarters already in existence in August 1947, the following arrangements have been made for accommodating the staff of the E. P. Railway:

(i) 610 members of the staff have been accommodated in buildings taken on hire from the Defence Ministry at Muradnagar and Jullundur Cantt.

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† Answer to this question laid on the table, the questioner being absent.

(ii) 356 quarters at Delhi Kishangunj, originally meant for the staff of the Railway Clearing Accounts Office have been taken over for the E. P. Railway staff.

(iii) 196 *pucca* quarters and 255 *kutcha* quarters have been built since August, 1947.

(iv) 47 Nisson huts have been provided for housing staff.

(v) Tented accommodation has been provided for 1,222 members of the staff.

(vi) 514 *pucca* quarters are under construction at present.

(vii) 500 *pucca* quarters are programmed for construction during 1949-50.

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**Shri Deshbandhu Gupta:** With regard to the reply given to part (a) may I know the number of those who are so affected and who have not yet been given increments and whose cases are still under investigation?

**The Honourable Shri N. Gopalaswami Ayyangar:** I am afraid I have not got the number with me, but the cases consist of pre-1931 staff whose records have not yet been received.

**Shri Deshbandhu Gupta:** Is it a big figure—thousands or hundreds?

**The Honourable Shri N. Gopalaswami Ayyangar:** I am afraid I would not commit myself to any figure. But I think a considerable number have been given their increments wherever records have been received; and in the case of others even if the records have not been received, if such persons have put in one year's service since they came over the question of giving them increments is under consideration.

**Shri Deshbandhu Gupta:** What steps are being taken to secure their records? Do Government hope to get their records?

**The Honourable Shri N. Gopalaswami Ayyangar:** Yes. As a matter of fact at every Inter-Departmental Conference this question is raised and the promise is made from the other side that these will be made available as quickly as possible.

**Shri Mahavir Tyagi:** Are there cases where the pay of the railway government servants have been doubled during this time?

**The Honourable Shri N. Gopalaswami Ayyangar:** I think my honourable friend will find that in some cases it is even more than double the original pay. It all depends on how the Central Pay Commission's scales work out with reference to each individual and his previous pay.

**Shri Mahavir Tyagi:** I want to know if they have been doubled on account of their getting a higher grade within this period because of so many posts falling vacant.

**Mr. Speaker:** I am afraid the question will be too general for an answer.

**Shri Mahavir Tyagi:** Is the Honourable Minister aware that in Pakistan they have not given the pay of the higher grades and they earn only 30 per cent. more than the basic pay which they were drawing in their original grades?

**The Honourable Shri N. Gopalaswami Ayyangar:** I do not think we have limited ourselves by any such percentage. We have given each man what became his due on the application of the Central Pay Commission scale.

**Shri Deshbandhu Gupta:** With reference to the reply given to part (c) is it a fact that out of 8,900 persons most of them have been given accommodation outside Delhi?

**The Honourable Shri N. Gopalaswami Ayyangar:** Yes, a good many have been given accommodation outside Delhi.

**Shri Deshbandhu Gupta:** Are any transport arrangements being made by Government to get them to Delhi every day—are any transport facilities provided to them?

**The Honourable Shri N. Gopalaswami Ayyangar:** Does the honourable member refer to transport other than railway transport?

**Shri Deshbandhu Gupta:** Any special train or local train?

**The Honourable Shri N. Gopalaswami Ayyangar:** I should like to have notice of that question.

**Shri Deshbandhu Gupta:** Will Government consider that please?

**The Honourable Shri N. Gopalaswami Ayyangar:** Certainly.

**Shri H. V. Kamath:** Did the Honourable Minister state that this issue was raised at every Inter-Dominion Conference?

**The Honourable Shri N. Gopalaswami Ayyangar:** Practically at every Conference.

**Shri H. V. Kamath:** Was it so baffling of solution that it had to be raised every time?

**Mr. Speaker:** Order, order.

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**Srijut Kuladhar Chaliha:** I have been authorised to put questions 1503 and 1504 standing in the name of Srijut Rohini Kumar Chaudhuri who is absent. May I put them?

**Mr. Speaker:** After the round† if the authority is valid.

EXPANSION SCHEME FOR INDIAN AGRICULTURAL RESEARCH INSTITUTE, DELHI

†*1503. **Srijut Rohini Kumar Chaudhuri:** (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that a good number of students from abroad, namely from China, Burma, Ceylon and Siam, seek admission into the Indian Agricultural Research Institute, Delhi for training in Agricultural Research?

(b) What action has been taken already and what steps will be taken in the near future in order to make the Institute an up to date Centre for advanced agricultural education?

**The Honourable Shri Jairamdas Doulatram:** (a) Yes. There is demand from these countries for the training of their nominees at this Institute.

(b) A five year expansion scheme for this Institute was sanctioned in 1946 and is being implemented within such resources as become available from year to year. When the existing sections have been strengthened, the new Divisions organised and all the equipment and apparatus obtained, as envisaged in the scheme, the facilities for research and advanced training will be considerably increased.

IMPROVEMENT OF CATTLE BREEDING AND INCREASING MILK SUPPLY IN DELHI PROVINCE

†*1504. **Srijut Rohini Kumar Chaudhuri:** (a) Will the Honourable Minister of Agriculture be pleased to state what steps are being taken to improve cattle breeding and to augment the supply of milk in Delhi Province?

(b) Do Government help private concerns and Joint Stock Companies to establish dairy farms in Delhi City or its neighbourhood?

**The Honourable Shri Jairamdas Doulatram:** (a) A statement is laid on the table of the House.

(b) Yes.

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†The questions were not reached during the question hour and the answers were laid on the table of the House.—*Ed. of D.*

STATEMENT

*Steps being taken to improve cattle and augment milk supply in Delhi Province*

(1) A Dairy Development Officer has been appointed for giving free technical advice and other assistance to milk producers and distributors.

(2) Survey has been carried out of the milk production and supply position for preparation of specific schemes.

(3) Twenty Hariana bulls are distributed to cattle breeders in the Province for improving local cattle. A sum of Rs. 10,000 is spent annually for the purpose. Buffalo bulls are also distributed as and when required.

(4) Cattle shows are held in villages.

(5) The supply of milk to Delhi is being augmented by providing transport and other facilities to accredited supplies for importing milk from within a radious of about 25 miles of the city.

(6) Private parties are being encouraged for establishing Dairy Farms. Technical advice and assistance in procurement of cattle, building materials etc. and also loans in deserving cases are being given.

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## POSTCARDS AND LETTERS CARRIED BY AIR AND SURFACE ROUTES

*1505. **Prof. K. T. Shah:** Will the Honourable Minister of Communications be pleased to state:

(a) the number of postcards and letters carried by the ordinary surface transport in the years 1945-46, 1946-47, 1947-48, and 1948-49 upto 31st December, 1948 in India;

(b) those carried by air during the same period; and

(c) whether postcards and stamped envelopes are produced on paper imported or locally made?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) and (b). Statements giving the information are laid on the table of the House.

(c) Postcards are printed on paper produced in the Country. Indigenous paper is used for inland embossed envelopes and imported paper for airmail envelopes, inland and foreign.

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STATEMENT

*(a) Estimated number of letters and postcards carried by surface routes*

*(In millions)*

| | Letters | | Postcards | |
|---|---|---|---|---|
| | Inland | Foreign | Inland | Foreign |
| 1945-46 | 810·27 | 15·60 | 691·03 | 2·74 |
| 1946-47 | 847·62 | 29·42 | 887·42 | 3·92 |
| 1947-48 (for India only). | 703·57 | 37·15 | 762·23 | 29·84 |
| 1948-49 for 9 months | 572·98 | 85·19 | 636·98 | 28·24 |

(b) *Estimated number of letters and postcards carried by air*

*(In millions)*

| | Inland letters | Foreign letters | Inland postcards | Foreign postcards |
|---|---|---|---|---|
| 1945-46 | 6·52 | 31·97 | 0·09 | 0·29 |
| 1946-47 | 7·95 | 22·44 | 0·11 | 0·18 |
| 1947-48 (for India only). | 16·46 | 20·71 | ·23 | ·0·10 |
| 1948-49 (for 9 months only). | 12·47 | 12·23 | 0·16 | 0·06 |

STATISTICS *RE* PLACE OF ORIGIN AND DESTINATION OF POST CARDS AND LETTERS

*1506. **Prof. K. T. Shah:** Will the Honourable Minister of Communications be pleased to state the number of postcards and letters (i) originating and delivered in rural areas exclusively, (ii) originating in rural areas but delivered in urban areas; (iii) originating in urban areas but delivered in rural areas; and (iv) originating and delivered in urban areas only in the years 1946-47 and 1947-48?

**Shri Khurshed Lal** (Deputy Minister of Communications): These statistics are not available.

STATISTICS *RE* POST CARDS AND LETTERS

*1507. **Prof. K. T. Shah:** Will the Honourable Minister of Communications be pleased to state:

(a) the number of postcards and letters (i) originating and delivered within the same Province; (ii) going beyond the provincial boundries and (iii) carried as between places where both in the place of origin and at the destination, or in either of them, there are air ports, in the years 1946-47 and 1947-48; and

(b) whether it is proposed to increase the number of air ports or air stations in the country, and if so, the programme for such increase in the next five years?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) Detailed Statistics of the kind required by the honourable member are not available.

(b) The honourable member's attention is invited to reply given on the 23rd February, 1949 to parts (d) and (e) of Starred Question No. 603 by Pandit Mukut Bihari Lal Bhargava.

**Shri H. V. Kamath:** Is it possible within the limits of human and ministerial capacity to make these statistics available?

**Shri Khurshed Lal:** Everything is possible, but the cost will be considerable.

FIRMS MANUFACTURING BICYCLES

*1508. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the names of firms manufacturing bicycles in India with the annual output of each?

(b) Is any additional factory proposed to be opened in the near future?

(c) Are Government taking any steps to improve the quality of Indian-made cycles or to manufacture those of a better quality?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) A statement is laid on the table of the House.

(b) Yes, Sir. Two new firms are contemplating setting up production.

(c) Government offers technical advice from time to time.

STATEMENT

*Figures of production during 1948.*

| S. No. | Name of the firms. | Number. | Nature of production. |
|---|---|---|---|
| 1. | M/s. Hind Cycles Ltd., Bombay. | 40,000 | *Complete cycle and spare parts. |
| 2. | M/s. Hindustan Bicycle Mfg. & Corp. Ltd., Patna. | 15,000 | do. |
| 3. | M/s. India Cycles Ltd., Calcutta.. | 7,040 | *Spare parts only. |
| 4. | M/s. Govind Seth Metal Works, Ltd., Calcutta. | 2,000 | do. |
| | TOTAL | 64,740 | |

*Spare parts equivalent to complete cycles.

## (b) WRITTEN ANSWERS

### MURDERS IN TRAINS AND COMPENSATION PAID DURING LAST FOUR YEARS

***1509. Shri L. S. Bhatkar:** Will the Honourable Minister of Railways be pleased to state:

(a) the number of murders committed in trains during each of the years 1945-46, 1946-47, 1947-48 and 1948-49; and

(b) the amount of compensation paid on account of Railway accidents during each of the years as mentioned in part (a) above?

**The Honourable Shri N. Gopalaswami Ayyangar:** (a) and (b). A statement giving the information is placed on the table of the House. The large number of murders in 1947-48 are due to the disturbed condition of the country at the time. I should mention that there is, however, no connection between the number of murders committed in trains and the compensation paid on account of railway accidents under Section 82A of the Indian Railways Act.

STATEMENT

| | 1945-46 | 1946-47 | 1947-48 | 1948-49 |
|---|---|---|---|---|
| Number of murders committed | 7 | 36 | 200 | 20 |
| Amount of compensation paid on account of Railway accidents | 1,21,791 4 0 | 2,69,826 9 6 | 4,97,990 10 0 | 3,25,294 7 0 |

### STORES TO BE RECOVERED FROM PAKISTAN

***1510. Shri R. K. Sidhva:** Will the Honourable Minister of Transport be pleased to state whether there are any stores or other materials to be recovered from Pakistan as per terms of agreement after partition and if so, what are the details thereof?

**The Honourable Shri N. Gopalaswami Ayyangar:** Substantial quantities of Defence, Railway, and Posts and Telegraphs stores and equipment are still due to be received from Pakistan in accordance with the agreements reached at the time of the partition. It is not possible to give details of these stores as they cover a very wide field. The items run into thousands.

### PERSONS EMPLOYED IN AND EXPENDITURE OF MINISTRIES OF FOOD AND AGRICULTURE

***1511. Dr. P. S. Deshmukh:** Will the Honourable Minister of Food be pleased to state:

(a) the date on which the Ministries of Food and Agriculture were created; and

(b) the number of persons employed in each of the years since their creation together with the total amount of expenditure incurred on the Ministries in each year upto and including 1948-49?

**The Honourable Shri Jairamdas Doulatram:** (a) The Department of Food, now known as the Ministry of Food, was created on the 2nd December, 1942 and Ministry of Agriculture was created on the 1st September, 1945.

(b) Two statements showing the number of persons employed and expenditure incurred in each of the Ministries of Food and Agriculture are laid on the table of the House.

STATEMENT I

*Number of Persons employed and expenditure incurred on the Ministry of Food during each of the years commencing from the date of its inception*

| Year | Number of persons employed | | Total Number employed | Total Expenditure for the year. |
|---|---|---|---|---|
| | Gazetted | Non-Gazetted | | |
| | | | | Rs. |
| 1942-43 | 93 | 440 | 533 | 2,10,008 |
| 1943-44 | 101 | 662 | 763 | 25,69,884 |
| 1944-45 | 97 | 872 | 969 | 38,90,852 |
| 1945-46 | 158 | 1315 | 1473 | 52,87,847 |
| 1946-47 | 187 | 1616 | 1803 | 71,82,582 |
| 1947-48 (upto 14-8-47). | 176 | 1470 | 1646 | *24,19,864 |
| 1947-48 (since 15-8-47) | 152 | 1550 | 1702 | *29,68,000 |
| 1948-49 | 107 | 1151 | 1258 | *48,73,600 |

NOTE.—*Figures are subject to final adjustments.

STATEMENT II

*Number of persons employed in each of the year since the creation of the Ministry of Agriculture together with the total amount of expenditure incurred on the Department in each year upto and including 1948-49*

(A) *Number of persons employed.*

| | Gazetted | Non-gazetted | Total. |
|---|---|---|---|
| On 1-9-45 | 36 | 228 | 264 |
| On 1-4-46 | 42 | 319 | 361 |
| On 1-4-47 | 50 | 433 | 483 |
| On 1-4-48 | 58 | 538 | 596 |
| On 1-3-49 | 63 | 493 | 556 |

(B). *Total expenditure incurred on the Ministry proper.*

| | Rs. | Remarks |
|---|---|---|
| *1945-46 | 6,63,823 | *For the period from 1-9-45 to 31-3-46 only. |
| 1946-47 | 13,95,307 | |
| 1947-48 | 10,65,311 | |
| 1948-49 | 25,59,635 | |

N. B.—The above information is regarding Secretariat staff only. As regards attached and subordinate offices information is being compiled and will be laid on the table of the House later.

RETIRED AND SUPERANNUATED PERSONS EMPLOYED IN MINISTRY OF AGRICULTURE

*1512. **Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Agriculture be pleased to state the number of retired and superannuated persons employed in the Ministry as Advisers?

(b) What are their qualifications, dates of appointment, age and emoluments?

(c) What is the number of non-Scientists and Scientific men employed in the Ministry of Agriculture?

**The Honourable Shri Jairamdas Doulatram:** (a) Four.

(b) A statement giving the information is laid on the table of the House.

(c) Presumably the honourable member wishes to know the number of technical and non-technical persons employed in the Ministry in non-Secretariat posts. All the non-Secretariat posts are held by technically qualified persons and their number is 38.

STATEMENT

| Name | Qualifications | Date of appointment. | Age | Emoluments. |
|---|---|---|---|---|
| | | | | Rs. A. P. |
| (1) Shri D. R. Sethi. | M.A., B.Sc., Agri. (Edin), I.A.S. Retd. | 4-2-48 | 57 | 2,958 5 0 including pension. |
| (2) Shri C. Mayadas | B.Sc. (Edin.) Agri. M.A. (Edin) (Econ.) I.A.S. Retd. | 16-8-46 | 55 | 2,158 5 0 including pension. |
| (3) Shri M. C. Bijawat | Qualified Engineer from Thomas Civil Eng. College, Roorkee (B.A.C.E.) I.S.E. Retd. | 16-8-46 | 62 | 2,700 0 0 including pension. |
| (4) Dr. G. S. Cheema | B Sc. (Hons)., M.Sc., D.Sc., I. A. S. Retd. | 7-11-47 | 55 | 2,508 0 0 including pension. |

BENEFIT TO CULTIVATORS FROM RESEARCHES IN AGRICULTURE

*1513. **Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that Government's policy is to carry the results of researches in agriculture to cultivators?

(b) What are the measures taken in that direction?

(c) Is there any scientific and technical information service for this purpose?

(d) Are pamphlets and brochures published on the model of the Farmers' Bulletin of the United States of America?

(e) If not, do Government propose to consider the desirability of setting up a Research Bureau with sufficient number of Research Officers to prepare such pamphlets for distribution in the different languages of India?

**The Honourable Shri Jairamdas Doulatram:** (a) Yes.

(b) The results achieved are communicated to the Provinces and States Governments who are expected to bring them to the knowledge of the cultivator. The question of organising an Extension service is under consideration.

(c) A Scientific and Technical Information Service at the Indian Agricultural Research Institute has been sanctioned and will begin to function shortly.

(d) The Indian Council of Agricultural Research, publishes a monthly journal, namely, *Indian Farming* in English and *Kheti* in Hindi which are written in popular language.

(e) A proposal to establish an Information Bureau in the Agriculture Ministry for the purpose of collecting and collating particulars of all research and developmental activities throughout India is under consideration. It will be for this Bureau to disseminate information by publication of pamphlets or journals.

### AGE LIMIT FOR RETIREMENT OF POSTS AND TELEGRAPH DEPARTMENT EMPLOYEES

*1514. **Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that the staff of the Posts and Telegraph Department have been granted extension of age limit for retirement up to the age of 60 years?

(b) Is it a fact that class IV staff of the Posts and Telegraph Department have been granted extension up to the age of 65 years?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) According to the existing rules a ministerial servant of the Central Government who was in permanent employment on the 31st March, 1938 should ordinarily be retained in service, if he continues to be efficient, up to the age of 60 years.

(b) No.

### COAL PRODUCTION

*1515. **Shri R. L. Malviya:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) the quantity of different grades of coal produced in the country during the years 1945-46, 1946-47, 1947-48;

(b) the country's resources of higher grade and metallurgical coal, and their annual consumption;

(c) the quantity of grades III-A and III-B coal consumed by the Railways during the years 1944-45 to 1948-49;

(d) whether it is a fact that the Railways have decided to stop consumption of grades III-A and III-B coal and if so, why;

(e) whether it is a temporary measure or a permanent decision;

(f) whether Government are aware that due to stoppage of consumption of grades III-A and III-B coal, a number of collieries have been and are being closed;

(g) if so, what proposals Government have got to revive these coal mines; and

(h) if not, whether Government propose to make enquiries and grant relief to the collieries?

**The Honourable Dr. Syama Prasad Mookerjee:** (a) and (b). Statements are placed on the table of the House.

| | |
|---|---|
| (c) 1945-46 | 369,708 Tons |
| 1946-47 | 541,986 ,, |
| 1947-48 | 947,457 ,, |

No information is available for the year 1944-45; in 1948-49, supply of Grade III-A and III-B coal to the Railways was eliminated.

(d) Yes, from May 1948 for the main reason that the use of inferior coal led to a decline in the efficiency of locomotives, resulting in engine failure, loss in speed etc., the boilers and fire boxes of these locomotives being designed to burn only better qualities of coal.

(e) Till new locomotives are ordered to burn this type of coal.

(f) The quantity of Grade III-A and III-B coal displaced from the Railway programme was only about 360 000 tons. But despatches of these grades during 1948 were 400,000 tons in excess of the despatches in 1947, showing that non-consumption of these grades by Railways have no such immediate effect.

(g) and (h). Do not arise.

STATEMENT I

*Quantity of different grades of coal produced in the country*

| Grade | 1945-46 (Tons) | 1946-47 (Tons) | 1947-48 (Tons) |
|---|---|---|---|
| Selected 'A' | 5,935,773 | 5,880,448 | 6,371,929 |
| Selected 'B' | 6,589,540 | 7,287,465 | 7,537,180 |
| Grade I | 3,362,403 | 4,303,399 | 4,135,511 |
| Grade II | 4,148,308 | 3,739,325 | 3,690,157 |
| Grade III 'A' | 933,723 | 858,095 | 797,987 |
| Grade III 'B' | 3,182,459 | 1,978,026 | 1,789,522 |

STATEMENT II

*Resources and consumption of either grade and metallurgical coal*

| | Resources (Reserves) (In million tons) | Consumption (in million tons) |
|---|---|---|
| High Grade Coal | 2,100 | 1 · 1 Per annum |
| Metallurgical Coal | 700 to 750 | 7 8 " " |

FACILITIES FOR RECLAMATION OF WASTE LAND

*1516. **Shri Balwant Sinha Mehta:** (a) Will the Honourable Minister of Agriculture be pleased to state what facilities are provided to private enterprise to reclaim waste land?

(b) Are such bodies financed by Government and if so, on what basis?

(c) Are all such facilities provided to Indian States also?

**The Honourable Shri Jairamdas Doulatram:** (a) The honourable member may kindly refer to reply given to part (d) of question No. 64 on the 2nd February 1949.

(b) The subsidy for land reclamation has hitherto been given only to cultivators for reclaiming the land which belongs to them. No subsidy has so far been given to private bodies who undertake reclamation work for cultivators.

(c) The question is under the consideration of Government.

### HIGHWAY BETWEEN PORT KANDLA AND AHMEDABAD

*1517. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Transport be pleased to state whether Government intend to build a highway between Port Kandla and Ahmedabad and if so, have plans and estimates been prepared?

(b) When is the work likely to be taken in hand, and when is it likely to be completed?

(c) Will the road be parallel to the proposed railway line on this route?

**The Honourable Shri K. Santhanam:** (a) Kandla will have to be connected by a National Highway, but its alignment has not yet been decided. Plans and estimates will be prepared after a decision is taken.

(b) and (c). These questions do not arise at present.

### CONTROL ON SELLING PRICES OF COAL

*1518. **Shri Mahavir Tyagi:** Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that coal dealers were agreeable to sell a number of wagon-loads of coal to the Ministry of Relief and Rehabilitation at rates cheaper than those fixed by Government but the supply could not be made as the control orders were that none could sell at rates lower than those fixed?

**The Honourable Dr. Syama Prasad Mookerjee:** The facts of the case were that the Ministry of Relief and Rehabilitation placed orders on certain middlemen for the supply at control rates of slack coal for brick burning. In return for these orders a certain percentage was offered by some as donation to the Refugee Fund. This was treated as tantamount to the sale of coal below the statutory prices and a violation of the Colliery Control Order.

### COUNTRIES CARRYING MAIL BY AIR WITHOUT SURCHARGE

*1519. **Prof. K. T. Shah:** Will the Honourable Minister of Communications be pleased to state.

(a) in what countries of Europe, America, Asia, Africa or Australia there is, for inland as well as overseas purposes, universal conveyance of all types of letter mail by air with or without any surcharge on account of air carriage and

(b) what subsidy or remuneration is allowed by the Governments of those countries for the conveyance of letter mail by air, by water, or by land within the country?

**Shri Khurshed Lal** (Deputy Minister of Communications): (a) and (b). Government have no accurate information readily available. It is being collected and will be laid on the table of the House in due course.

### HAND DECORTICATOR INVENTED BY PRODUCERS ORGANISATION

*1520. **Babu Ramnarayan Singh:** (a) Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that in certain parts of the country a hand Decorticator invented by the Producers Organisation is profitably working as remover of groundnut husk from seeds?

(b) If so, what is the encouragement which Government are affording for popularising it?

**The Honourable Shri Jairamdas Doulatram:** (a) Yes, it is in use in some parts of the Bombay Presidency.

(b) The type of hand decorticator now in use is not considered very suitable. The Indian Oilseeds Committee has announced a prize of Rs. 2,000 which will be granted to any person or body who designs the best model of decorticator at a cost not exceeding Rs. 100. The designs are to be received before the 31st October, 1949 after which the best design received will be selected by the Committee and steps will be taken for propagating its use.

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## UNSTARRED QUESTION AND ANSWER

### VACANT GAZETTED POSTS IN MINISTRIES OF FOOD AND AGRICULTURE

**124. Dr. P. S. Deshmukh:** Will the Honourable Minister of Food be pleased to state:

(a) the number of vacancies that occurred in the Gazetted posts in the Ministries of Food and Agriculture during the years 1947-48 and 1948-49;

(b) whether any new posts have been created either during 1947-48 or 1948-49; and

(c) if so, what they are and what the scales of pay are?

**The Honourable Shri Jairamdas Doulatram:** (a) The number of vacancies that occured in the Gazetted posts during 1947-48 and 1948-49 was 64 and 32 respectively in the Ministry of Food and 24 and 33 respectively in the Ministry of Agriculture.

(b) and (c). Two statements showing the designation of the posts and the scales of pay for each of the Ministries of Food and Agriculture for the year 1947-48 and 1948-49 are laid on the table of the House.

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### STATEMENT I

*Designation of the new posts created in the Ministry of Food during 1947-48 and 1948-49 and the scale of pay*

| S. No. | Designation of post | No. of post created | Scale of pay |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| | | (1947-48) | |
| | | | Rs. |
| 1 | Director of Purchase | 2 | 1000—50—1300—60—1600. |
| 2 | Director, Grains | 2 | 1000—50—1300—60—1600. |
| 3 | Counsellor (Food) Karachi | 1 | 2000 fixed. |
| 4 | Additional II Secretary Karachi | 1 | 900 fixed. |
| 5 | Additional III Secretary Karachi | 2 | 1. 320—15—380—20—500.<br>2. 350—350—380—380—30—590—EB—30—770—40—850. |
| 6 | Deputy Director | 2 | 600—40—1000—1000—1050—1050—1100—1100—1150. |
| 7 | Asstt. Director | 12 | 350—350—380—380—30—590—EB—30—770—40—850. |
| 8 | Officer-in-Charge Supply Depot. | 1 | Ditto. |
| 9 | Liaison Officer | 5 | Ditto. |
| 10 | Statistical Officer | 1 | 250—15—400—20—500. |
| 11 | Private Secretary to Secretary | 1 | 300—20—400. |
| 12 | Inspector | 1 | 160—10—330. |

| 1 | 2 | 3 | 4 |
|---|---|---|---|
| | | (1948-49) | |
| | | | Rs. |
| 1 | Joint Secretary | 1 | 3,000. |
| 2 | Food Attaché (Indian Embassy) Washington. | 1 | 1100—50—1300—60—1600—100—1800. |
| 3 | Additional Regional Food Commissioner, Bombay | 1 | 1300—60—1600. |
| 4 | Director, Grains | 1 | 600—40—1000—1000—1050—1050—1100—1100—1150. |
| 5 | Joint Director | 1 | 800—40—1000—1000—1050—1050—1100—1100—1150. |
| 6 | Deputy Regional Food Commissioner | 5 | 600—40—1000—1000—1050—1050—1100—1100—1150. |
| 7 | Deputy Director | 4 | 600—40—1000—1000—1050—1050—1100—1100—1150. |
| 8 | Asstt. Regional Food Commissioner | 3 (2 posts vacant). | 350—350—380—380—30—590—EB—30—770—40—850. |
| 9 | Asstt. Directors | 14 (4 posts vacant). | Ditto |
| 10 | Officer-in-Charge | 2 | Ditto |
| | Supply Depot. Manmad | 1 | 600—40—1000—1000—1050—1050—1100—1100—1150. |
| 11 | Deputy Executive Officer | 1 | 250—15—340—20—400. |

## STATEMENT II

*Designation of the new posts created in the Ministry of Agriculture during 1947-48 and 1948-49 and the scales of pay*

| S. No. | Designation of Post | No. of posts | Scale of pay |
|---|---|---|---|
| | | | Rs. |
| *1947-48* | | | |
| 1 | Joint Secretary | 1 | 3000 fixed. |
| 2 | Assistant Secretary | 1 | 800—40—1000. |
| 3 | Palm Gur Adviser | 1 | (Hony). |
| *1948-49* | | | |
| 1 | Officer on Special Duty (Soil Conser) | 5 | 1250 fixed. |
| 2 | Officer on Special Duty (Crop & Cattle Ins.) | | 800—40—1000—50—1300 |
| 3 | Assistant Comp. Dev. Officer | 1 | 275—25—500—EB—30—650—30—800. |
| 4 | Under Secretary | 1 | 800—50—1150. |
| 5 | Assistant Private Secretary to H.M. | 1 | 530—30—710. |
| 6 | Deputy Cattle Utilisation Adviser | 1 | 1000—50—1400—plus S. P. 150. |
| 7 | Deputy Livestock Adviser | 1 | Ditto. |

*N. B.*—The above information is regarding Secretariat staff only. As regards attached and subordinate offices information is being compiled and will be laid on the table of the House later.

Wednesday
30th March, 1949

# THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—QUESTIONS AND ANSWERS)]

## Official Report

Volume III, 1949

(19th March, 1949 to 5th April, 1949)

Fourth Session

OF THE

CONSTITUENT ASSEMBLY OF INDIA

(LEGISLATIVE)

1949

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# CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

## (PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

*Wednesday, 30th March, 1949.*

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

## QUESTIONS AND ANSWERS.

(*See* Part I)

**11-45 A.M.**

## ELECTIONS TO STANDING COMMITTEES FOR MINISTRIES OF HOME AFFAIRS AND INDUSTRY AND SUPPLY

**Mr. Speaker:** I have to inform the Assembly that the following Members have been elected to serve on the Standing Committees for the Ministries of Home Affairs and Industry and Supply:

I. *Standing Committee for the Ministry of Home Affairs.*—Pandit Balkrishna Sharma, Shri Deshbandhu Gupta, Shri R. K. Sidhva, Giani Gurmukh Singh Musafir, Pandit Mukut Bihari Lal Bhargava, Shri C. M. Poonacha, Shri Jainarain Vyas, Lala Achint Ram, Mr. Muhammad Ismail Khan and Dr. Y. S. Parmar.

II. *Standing Committee for the Ministry of Industry and Supply.*—Shri U. Srinivasa Mallayya, Shri Mohanlal Gautam, Shri T. A. Ramalingam Chettiar, Shri M. Ananthasayanam Ayyangar, Acharya J. B. Kriplani, Shri Ram Nath Goenka, Shri Bikram Lal Sondhi, Shri H. V. Kamath, Shri R. L. Malviya, and Mr. Homi Mody.

## ELECTIONS TO STANDING COMMITTEES FOR MINISTRIES OF STATES AND WORKS, MINES AND POWER, DEPARTMENT OF SCIENTIFIC RESEARCH, STANDING FINANCE COMMITTEE AND COMMITTEE ON PUBLIC ACCOUNTS

**Mr. Speaker:** I have also to inform the Assembly that upto the time fixed for receiving nominations for the Standing Committees for the Ministries of States and Works, Mines and Power and the Department of Scientific Research, Standing Finance Committee and Committee on Public Accounts, 12 nominations in the case of the first, 10 nominations in the case of the second, five nominations in the case of the third, 14 nominations in the case of the fourth and 11 nominations in the case of the fifth were received. Subsequently two members in the case of the first withdrew their candidature. As the number of remaining candidates is thus equal to the number of vacancies in each of these committees, I declare the following Members to be duly elected:

I. *Standing Committee for the Ministry of States.*—Sreematty Ammi Mascarene, Shri Sita Ram S. Jajoo, Shri H. R. Guruv Reddy, Mr. K. A. Mohamed, Shri Raj Bahadur, Shri V. S. Sarwate, Shri B. N. Munavalli, Shri A. V. Thakkar, Shri T. Siddalingaiya and Shri S. M. Ghose.

II. *Standing Committee for the Ministry of Works, Mines and Power.*—Shri Gokulbhai Daulatram Bhatt, Shri B. Das, Shri O. V. Alagesan, Shri Jaipal Singh, Shri K. N. Desai, Shri Basanta Kumar Das, Shri Kala Venkata Rao, Mr. Tajamul Husain, Shri Mihir Lal Chattopadhyay and Shri Harihar Nath Shastri.

[Mr. Speaker]

III. *Standing Committee for the Department of Scientific Research.*—Shri Satish Chandra, Srijut Kuladhar Chaliha, Shrimati Ammu Swaminadhan, Mr. E. John Philippose and Shri T. A. Ramalingam Chettiar.

IV. *Standing Finance Committee.*—Shri Surendra Mohan Ghose, Prof. N. G. Ranga, Pandit Thakur Das Bhargava, Shri B. Shiva Rao, Shrimati Renuka Ray, Shri U. Srinivasa Mallayya, Shri B. L. Sondhi, Shri M. Ananthasayanam Ayyangar, Shri Biswanath Das, Shri B. P. Jhunjhunwala, Shri Deshbandhu Gupta, Shri Ram Nath Goenka, Pandit Govind Malaviya and Shri S. V. Krishnamoorthy Rao.

V. *Committee on Public Accounts.*—Shri B. Das, Kazi Syed Karimuddin, Shri Krishna Chandra Sharma, Shri Upendranath Barman, Shri Mahavir Tyagi, Prof. Shibban Lal Saksena, Shri L. Krishnaswami Bharathi, Prof. N. C. Laskar, Shri R. Sankar, Shri Raj Bahadur and Prof. K. T. Shah.

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## FIXATION OF SATURDAY, THE 2ND APRIL, FOR OFFICIAL BUSINESS

**Mr. Speaker:** Before the House proceeds with the legislative business, I have to invite their attention to a request made to me, that I should fix Saturday the 2nd April for the transaction of official business as there is a great congestion of urgent official business. The Chief Whip is not here but I presume the House is not going to sit beyond the 7th.

**Shri R. K. Sidhva** (C.P. and Berar: General): Yes, Sir, that has been decided.

**Mr. Speaker:** I have no information to the effect that it is clearly understood that the House is not going to sit beyond the 7th.

**Shri H. V. Kamath** (C.P. and Berar: General): Is that question of sitting beyond the 7th still open?

**Mr. Speaker:** I have no information yet. That depends, of course, on the progress of business; and the allotment of Saturday is also a question connected with the question as to whether we should sit beyond the 7th or not. I should like to have information on that point.

**The Honourable Dr. John Matthai** (Minister of Finance): I should be able to give it in the course of the day, if I may.

**Mr. Speaker:** Yes, so that I may finally decide whether we allot Saturday or not. Of course, if Members want it and Government want it for their business, I shall not come in the way of allotting it. I shall exercise my discretion.

**Shri H. V. Kamath:** My only submission is that if we are sitting beyond the 7th, we may not have Saturday the 2nd, too for transacting official business.

**Mr. Speaker:** Therefore, I kept the question open. Let there be an official statement—it is better if it is made at 2-30 P.M. today.

**The Honourable Dr. John Matthai:** Yes, Sir. I shall make it at 2-30 P.M.

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## INDIAN FINANCE BILL—*contd.*

**Mr. Speaker:** The House will now proceed with further consideration of the following motion:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1949, as reported by the Select Committee, be taken into consideration."

**Dr. P. S. Deshmukh** (C.P. and Berar: General): Before I begin my speech, Sir, I would like to express my profound thankfulness to Providence for having saved the life of Sardar Patel yesterday almost by a miracle. I would not like to take any more of the time of the House on the point although there is so much that can be said with regard to Sardar Patel, what we owe to him and how indispensable he is for this new Indian Nation, at least for the next few years to come. (*Hear, Hear*).

Sir, when I closed my speech yesterday, I was replying to the contention of my honourable friend Mr. Das that no part of the income derived from the Railways should be taken over for General Administration. The Indian Railways, Sir, are our biggest national industry and if it is incapable of shouldering some part of the burden of the finances of this country we might, I think, well despair about rationalisation. Secondly, at least during the last eight or nine years the Railways have been maintained through unlimited sacrifices in the shape, especially, of sufferings and harassment, of the general public. To this dark cloud of unbearable inconveniences suffered for a prolonged time by the people, the only silver lining is that the Railways are contributing something to the General Revenues of the State. Otherwise, for all that we suffer, for all that the general public undergoes, there is no consolation whatever available to them. My complaint, in fact, is that the Railways have not been contributing a much larger share than they are doing at the present moment.

Sir, I have referred to the fact that the honourable the Finance Minister has not exercised a strict control on his colleagues. If he had done so, I am sure the whole lot of supplementary Demands with which he is going to come to this House would not have been necessary and that might have also saved us from the proposed taxation. Take for instance the question of the subsidies we are bearing because of the imported foodgrains. In my opinion, the bearing of these subsidies is wholly unnecessary, and in any case they have not given us any results. In fact, a good many of these foodgrains are imported at rates which are much lower than those prevailing in the country, and I have been told that in some Provinces at least these imported foodgrains are sometimes sold at higher rates than that at which they are imported. With the declaration that we are not going to import any more food after the year 1951, I hope the Finance Minister will take up the question of retrenchment in the Ministry of Food. That Ministry was created during war time and as is the case with all the Central Government Departments, every time a department is created it automatically grows with unprecedented speed. If we were to take into account the growth of the Food Ministry and the huge staff that there is in the Disposals Directorate, the honourable Minister could have easily and certainly saved us crores of rupees. He must impress upon the Ministers that more staff does not mean more efficiency. In fact, there are many instances, I am told on competent authority, where simply because of the fact that there are too many people in certain Departments, the efficiency instead of going up suffers.

There are one or two suggestions which I would like to make so far as other Departments are concerned, since I did not have an opportunity of speaking on those occasions. Along with the supplies of food that we are concerned about, our Government ought to be concerned about the mental development of our country also. Here we find that from foreign countries, especially Russia and the United States, thousands of books and pamphlets of all sorts are pouring in, and they are making it a point to sell them at the cheapest possible prices. This is a thing to which our Government should pay some attention, because all this propagandist literature is not suitable for Indian conditions and Indian needs. As against this, the Indian producers of books and periodicals are finding it very difficult to make any headway. They

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are working under great handicaps. I will give one instance. The newsprint which is sold in India at Rs. 750 per ton is sold in other parts of the world at £28-10-0. The world rate is 2½ times less, according to my information. It is no use having many sub-editors and other members on the staff without any experience of journalism when there are no facilities provided for the journalists and publishers in the land.

**Shri Deshbandhu Gupta** (Delhi): May I know from the honourable Member as to wherefrom he has got this world rate of £28-10-0?

**Dr. P. S. Deshmukh:** This is absolutely correct. In fact there was a complaint made by the Journalists' Association in England where they were buying at the rate of £48 per ton and it was brought to the notice of the Government of Great Britain that instead of buying at the world rate of £28-10-0, they were asked to pay £48. So I would ask the honourable Minister to see that our authors and publishers who want to place their views before the country are not handicapped by the high price of paper and the high cost of printing.

So far as the Services are concerned, I would like to mention that there are many complaints—and most of them are justified—that provincialism and communalism prevail on the largest possible scale both in recruitment and promotions. These things have gone to appalling proportions, I am told. So it is as well that the attention of the Government is drawn to this so that they may put an end to this evil which is capable of considerable mischief.

As regards the new classification on Railways, I have already said, that large sums of money are needlessly lost to the Central Exchequer. And yet I do not see any intention anywhere of the saving in travelling allowances that should and must accrue to the Government. For instance, the present first class fare per mile is only 24 pies as against the 30 pies that was there. I am sure since first class and second class rates have gone down, a large saving must have accrued to the Government under this head; but we have not been able to see any indication of it anywhere, in the budget.

The country was very much concerned about capital not coming out for investment in new enterprises and government loans. I think this House has to take some responsibility for this state of affairs. Some of my friends, under the impression that capitalism is at the bottom of all evils, uttered threats and used strong language against our capitalists. I do not have a soft corner for the capitalists as such, and it is true that there is undue concentration of wealth in India in the hands of some 500 to 1,000 people. But there is a psychology behind investments and it is very probable that all of us may have to revise our views and our attitude if we want to help the Government to have greater sums in the Treasury to carry out the nation-building programme that they have in view.

Now referring to the proposed increase in the rate for post cards, it seems to me that there is no justification for it. The honourable the Communication Minister told us that, instead of giving a subsidy to civil aviation, we should give it indirect help. I welcome the offer of help to civil aviation. I do not agree with my friend Mr. Tyagi that civil aviation is a luxury and should be put down; but at the same time I deprecate this method of encouraging civil aviation. It is a well recognised principle among all nations that some sacrifice is justifiable when a scheme or plan has to be put into force in the interests of the country. It is better however to tell the nation what the Government are paying for the maintenance of a particular industry in the shape of subsidy rather than give help in this underhand way.

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I hope that, in spite of the fact that the honourable Minister has not been able to economise in the past, he will see that the Ministries are not at liberty to spend crores and lakhs as they wish. In the past his Department has been a little too careful in small matters and very liberal in big matters. In many cases affecting travelling allowances, etc. where the amount involved is small, the papers go from Secretary to Secretary and Ministry to Ministry, while expenditure involving lakhs of rupees is passed without much comment. There are many instances where Government departments, with a little more care, could have saved lots of money.

In the case of Indian students who have gone for studies abroad, large additional funds were required and granted for their stay. Later on, when it was found that they could not get accommodation they were brought back by plane. This expenditure on plane journey was found to be less than the cost of their stay there.

**Shri M. Ananthasayanam Ayyangar** (Madras: General): I heard with great attention the speeches of both of my honourable friends Prof. K. T. Shah and Shri Khandubhai Desai for whom I have very great regard. Both of them have misunderstood the Budget and the financial proposals.

Mr. Khandubhai Desai was very frank. He said he did not understand what was meant by the expression 'capital formation'. He then went on to say that the abolition of Capital Gains Tax during this period would not improve the capital formation. My friend Prof. Shah was merely destructive in his criticism. I am yet to hear from him any constructive proposal. I did not see it either in his first speech or in his second speech. Sir, I do not want to create an alarm. But facts have to be faced. None of these friends of mine, nor even the House has really appreciated the situation at present. We passed a Budget the other day for an expenditure of 500 crores during the coming year—300 crores to be met from revenue and 200 crores from capital. Now, this capital expenditure of 200 crores has to be raised, in ordinary circumstances, by loan, because it is intended for development purposes. All that sum is not for expenditure during the next year. The expenditure will be spread over a long period of years. That is the object of raising capital by way of loans for such development purposes. Now, how is this sum of Rs. 200 crores to be raised? The honourable the Finance Minister intends raising only Rs. 17 crores out of these 200 crores in the open market by floating a loan. 67 and odd crores are to be got from conversion loans and 131 and odd crores by drawing upon the slender balances with the Reserve Bank of India.

That is the position to-day. What are our balances with the Reserve Bank to-day? In 1947/48 it was 366,79,00,000. At the end of January 1949 it came down to 215,95,00,000 and I am told it has now come down to 205 crores to-day. (*Shri Ramnath Goenka*: 'Less than that'). Therefore the balance to our credit to-day is about 200 and odd crores. If during the year we are going to draw upon these balances to the tune of 131 crores, the balances left to our credit will be about 70 crores. (*Shri B. L. Sondhi*: '58 crores actually.') So we are in a dangerous margin. What will be our position next year? In the current year the Government of India wanted to float a loan to the tune of 150 crores in the market. It was able to get only 55 crores. That is why the Finance Minister prudently wants to raise only 17 crores in the open market 55 crores has dwindled to 17 crores and we do not know what its fate will be. Is it at all possible for any Finance Minister next year at this time to come under the same circumstances and say with any confidence that he will be able to go to the capital market or to embark upon any development programme? I say with all respect, unless things change, until the money market improves, we will have to put a big full stop to our development programmes. Not only here but in the provinces also. The position in the provinces is not a

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little better. Our position is much better than the provinces. What is the remedy? It is no good merely beating the air and say that the Finance Minister has changed his views and convictions and become overnight a capitalist. If the needs of the hour require it, I would ask him to become a *pucca* capitalist. If we change over to Socialist Regime absolutely where all industries, banks, insurance companies, etc. are taken over by the State, it is only from the right hand to the left hand. Still we have to draw money from the market. Therefore the position is appalling. Now we have no plan. It is only Mr. Shah here who wound up that Association which drew up an elaborate plan and the plan itself runs over 80 volumes and the plan is very ambitious and it will cost us, if we are to implement it, some thousands of crores of rupees. Even in the beginning we have no money. Does he say 'We shall start a Capital Levy'? It is not allowed in any country. I am sure with his knowledge as a Professor and outside as a Politician, he would not allow or advise a Capital Levy in this country. In exceptional circumstances soon after the war when war boom is still on, the money is mopped off in a particular year. Now as the Finance Minister said money is practically disappearing and we are going to face a slump very soon. Under those circumstances it is out of question. There is one other suggestion—it was not made on the floor of this House—as to why not change over from cheap money to dear money. Even that is unthinkable. If the Government of India comes in the market and pays five per cent instead of three per cent., no doubt money will come. But what will happen to bank rate and the further corners in the villages? What is the rate that will be allowed by the ordinary money-lender? Do you want it to soar to 30 and 40 per cent. and disturb their economy? Even that is unthinkable. What is the alternative? The Finance Minister has said 'Certainly I will try to induce these people to come back'. But there is unnecessarily a lurking suspicion in the minds of honourable Members here that money is shy or coercive but not dry. I want to submit that the money market seems to be more dry than shy because a man could not be shy. Even persons with *gosha* are trying to discard it. Now the pulse is felt by the value of Tatas Deferred and Indian Iron. Tatas ruling price was about 2300 some time ago in 1946/47 and now it has come down to 1478 and so the reduction is £40. Indian Iron which was at 60/- per share has now come down to 24/3. So the price of stocks and shares that were available was valued at 1900 crores previously and to-day on account of various circumstances, adventitious and otherwise, they have come down to 300 crores. The bank was loaning upto 90 per cent. on gilt-edged securities, 75 on Ordinary Securities and so if we assume that the industrialists were able previously to get 1000 crores for this 1,300 crores worth and used to carry on with that their transactions and also invest in Government loans and also for helping industries. But the same 1300 crores on account of the Liaquat Ali Khan's budget, on account of Pakistan separation and Kashmir problem and the Refugee problem, our talk inside and outside this House—we take a particular step and say this ought to be our Industrial Policy and the various Ministers go about saying that is not the policy, I am the policy dictator—all these unfortunate methods have reduced the 1300 crores capital to 300 crores. To-day the industrialists are not able to get more than 75 per cent. of this 300 crores. How are we going to make up? They are not able to get 250 crores. Do you say it is dry or shy? When hunger stalks the land there is no shyness. Have you heard in Bengal some of the girls when they were on the verge of starvation, they threw overboard their sex? Therefore let us not accuse them. We are on a critical stage and I am glad the Finance Minister threw overboard those principles which he was preaching of course as a Professor and also learnt as a Professor. When circumstances necessitated he has realised and come forward with a proper proposal. What are the concessions

he has shown? They are, for a period of five years, he will allow some depreciation more than ordinarily. Another is, from 6/15/6 he has reduced the super-tax to 6/14/-. I would go further and say 12 annas but let me not induce in the minds of my friends a longing for 12 annas. Fourteen is enough. Third is Capital Gains Tax. My friend Mr. Khandubhai Desai said how does Capital Gains Tax induce the formation of capital? There is an apprehension that currency alone is money. Currency is not money, that is an appreciation of currency. From 188 crores before war in 1938-39 it is 1200 crores to-day. Currency has no doubt increased 10 times but money has gone down. Money in a country is by cash bank credit not by currency. Currency is one and bank credit is another. To-day bank credit has shrunk. Security in Bank has come down from 1300 crores to 300 crores and bank credit has therefore shrunk to 25 per cent. My friend in Ahmedabad applies himself to wage-earners whose wages are still at the top. That is actually disturbing our economy. Let him go to villages. Therefore I say you must give every inducement for them to go to banks. Therefore property will appreciate in value, and that property will come out, and more and more money will move into the banks, more and more money will come into the market and in that way become available to the government and also to industrial concerns.

And then Sir, lastly—Sir, I know the honourable the Finance Minister is waiting and my eyes are on the clock, but I will not take long, I will finish in two or three more minutes. I ought not to transgress the rules myself. Lastly, Sir, there is another aspect which seems to be creating some difficulty—the Democles' sword which we ourselves forged some time back, the Income-Tax Tribunal. Now, these people might have made lot of profits during the war—enormous profits were made as a matter of fact. And they have evaded taxation during the war. And now we have set up this Commission which would not go either forward or backward. Sir, sometimes, if you want to make a donkey go forward, you have to push it backward. Of course, I am not comparing it. The analogy is not on all fours. But what is the use of keeping this Democles' sword? Assume that there is so much of hidden money. How are you going to draw it out? Assume they had not paid taxes. But what is the good? Let us allow that money to come out and let it be utilised in the industries. Again and again people are asking, if you allow depreciation, five years hence, how are you going to tax the money? I am sure my head is not so barren. I feel confident that when the money comes out, we can catch it. Indeed, except making a man into a woman, we can do everything else. By a mere bit of paper, we can say it is Rs. 25,000, or anything else we want. So Mr. Goenka need not be perturbed by the Capital Gains Tax. Therefore, I say, let us accept the various proposals that have been made. The money is there. And so far as the Income-tax tribunal is concerned, let them, within say, six months, compound it all and take something, and allow the money to come out into the open and be utilised by the industries. I say, once and for all, let us get rid of this idea that these are persons who have committed some heinous crime—murders or something of that sort. Let them rear up their heads once again.

And then, Sir, I am sorry that the honourable Finance Minister did not associate any one of us in the recent talks about the sterling balances. The sterling balances have been bundled up. Internally we have no money. That is the position. Externally, we have the money in the sterling balance. Let us raise on the security of this money, let us raise money in the United States of America; let the Government of the United Kingdom be the guarantors. Let us get into some such agreement, and let us get the necessary capital goods. Therefore, let these steps be taken immediately, and then internal money also will come out.

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Lastly, so far as the Marshall aid is concerned, it has been asked by many, "Are we to go in for this aid? Are we to go with the begging bowl" and so on. But why not? We are talking of associations with the Commonwealth in some form or other. We were yesterday talking about some constitutional devices. What is the harm? We cannot be alone in the world. Therefore, if it is possible, let us get assistance from other countries also. England took so much loans from foreign countries, and now she is getting the Marshall Aid. Has England become a beggar? In a very short time England has regained her export trade and rehabilitated herself.

So I say, this is a problem which has to be attacked on all sides, not on one side.

And then, so far as the post-card is concerned, my honourable friend Mr. Kidwai committed a mistake by saying that he would carry all the mail by air. He ought to have said, we have to pay nine pies instead of six pies for a post-card because of the present crisis. As soon as the crisis is over, the cost also will come down. It is just for the emergency. And also, as against this increased cost, let him open two thousand rural post-offices in a short time. That will be propaganda enough all over the country. If necessary, I can go to the country at large and say that even though there is this increase in the cost of the post-card, you will have rural post-offices close at your doors. You will have the post-office savings banks, current deposits etc. etc. and so many other facilities. And our people will appreciate it. They are cultured enough to do that. After all culture does not mean the three R's. I am sure the bulk of the population will stand by the honourable Minister if only he comes with the right excuse for bringing forward these proposals.

There is then the income-tax limit of Rs. 3,500. Of course, people with large families, like myself would have been glad if the limit had been Rs. 5,000. But I am told the honourable Finance Minister has appointed a small committee consisting of my friend Pandit Thakur Das Bhargava and two others and I hope this committee will consider the question fully and that social justice will be done this year; and God is there for next year.

**Srijut Kuladhar Chaliha** (Assam: General): Sir, this is a subject which is technical and few people take interest in it. For the last 75 years there has been the jealousy of the provinces for having allocation of funds from the Centre. There were difficulties and in order to resolve them, two members of the Finance Department went to Australia to find out some means or solution. Their report was not available until yesterday evening and it was not circulated to the Members of this House. But anyway, I shall take up only the case of my province of Assam. Sir, I think from Assam the Centre has taken Rs. 75 crores and the allocation made to the province is so meagre that it has a very just grievance. And I shall tell you one thing. The other day, somehow or other, without consulting the Province its jute export duty was reduced to 20 per cent from the 67½ per cent made under Sir Otto Niemeyer Award. The same is the case with tea and with other excise duties. Without consulting the province, the percentage of 67½ per cent has been reduced to 20 per cent —an injustice which can hardly be borne by the province. I think they have addressed the Centre about this injustice. They feel that Rs. 40 crores out of the Rs. 75 crores should be allotted to them, for the schemes approved by the Centre.

Sir, in the general pool we have Rs. 275 crores and it has to be distributed. Mr. Nehru and Mr. Adhikari went out to Australia and tried to find out and study the conditions there and see how the finances of the different States there

were adjusted and how the Centre was dealing with the matter. And they have now laid down certain fundamental propositions. They have found out that there in Australia they had incessant quarrels between the States and the Centre. Therefore in 1933 they instituted what was known as the Commonwealth Grants Commission. The object of the Commission was, first to receive applications made by the States to the Commonwealth for the grant of financial assistance. Secondly they deal with any matter referred to them on grants or financial assistance, by the Governor-General, and thirdly any matter referred by Parliament to the Commission regarding how financial adjustments should be made among the different provinces. Under these three heads applications are received and on receipt they start considering them on the basis of three criteria. Firstly, they see if a minimum of efficiency which the Centre wants the provinces to keep up is maintained. If they find that it is not maintained, they allow the application. Secondly, weaker states are given special grants, because they find that they are not able to function, not in a prosperous manner, but in a manner where normal requirements are satisfied. Thirdly, they also look into the financial position of the provinces and how they are affected by taxation. If the same principles are applied here, we will be able to arrive at a solution which will be just for distributing the Rs. 275 crores we have got. What is done now is that the Centre does not look into the sources of income; they merely take the area of collection. I find that almost 52 per cent of the income-tax and other excise collections are made in Bombay and Calcutta, although their population is 27 per cent. From Assam, I think all income-tax is collected at Calcutta, though the industries and firms are located in Assam. Therefore, a certain amount of injustice is perpetrated. A formula should be worked out taking into consideration the area *plus* population *plus* collection. I know it is difficult to arrive at a formula, but if we take these three things into account, we shall be able to arrive at a proper formula. Mr. Adhikari and Mr. Nehru have said that a Finance Commission should be tried in India, as a Commonwealth Grants Commission will not be suitable to our country. If such a Finance Commission is appointed and it takes into account the provinces, the area and the amount collected and also in cases where the provinces require certain things which they cannot get from the Centre, the Commission should recommend it to the Centre, so that there may be harmony between the provinces and the Centre.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy-Speaker (Shri M. Ananthasayanam Ayyangar).*]

So I suggest that such a Commission should be established in India in the Centre to allocate the funds among the provinces. Otherwise, the jealousy will continue for ever and we will always feel that some people who have got better representatives, better judges and better advocates get money whereas provinces like Assam, Orissa, Bihar etc., do not get their due. Even in the present case, Assam is given only Rs. 30 lakhs, whereas Orissa is given Rs. 40 lakhs. We have not been able to understand how it is allocated and why we have been deprived immediately from 67½ per cent. to 20 per cent. I should like that the Finance Minister should look into this thing and set up a Finance Commission.

Now, there is another point. If a province is not able to use the sum allocated to it due to their inability to contribute an equal amount, it lapses and we do not get it at all. We have to beg the Centre again. In Australia, they keep it to the credit of the province and not only that, they send men from the Centre to see that the schemes and plans are properly worked out. I therefore suggest that our Central Government should have this Finance Commission and they should also have some sort of organisation—not a very expensive one—but one which will go and supervise and see that the money is spent for the objects for which it was allocated. I think if this suggestion

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is accepted and the Commission is established and functions under the Finance Ministry, the injustice will be less acute than in the past. According to the advice of these gentlemen, the sum of Rs. 275 crores should be allocated taking into account the per capita income, per capita revenue and expenditure and the population and area. If this suggestion commends itself to the Finance Minister and allocations are made on that basis, our expectations will be realised and small provinces will not feel that bigger provinces knock off a larger share of the divisible pool.

I do not like to speak on subjects which have been so well dealt with by others regarding post-cards, but coming from the villages, I do feel that the increase will hit the poor people. I know, of course, the reason for the increase. But all the same, coming from remote distant villages, where postal services are rare, I feel that if it is at all humanly possible, the matter should be reconsidered.

As regards the "all-up" air mails, very few people will understand in the villages what is the benefit of carrying "all-up" mails and I feel that this enhancement to 2 annas is rather hard. (*An Honourable Member*: 'At least the Assamese would realise it.') Quite right. But we are thankful to the honourable Minister for having raised the taxable limit in respect of Joint Hindu Families to Rs. 5,000. We are thankful for the little mercy shown.

Having said this, I must say that we will give our best support to the honourable Minister, because he has done his best under very difficult circumstances. It is very difficult to get capital nowadays and even key industries are finding it difficult to get finance. So everywhere, as the Deputy Speaker has said, the money has dried up and gone somewhere and we are not getting money for new ventures or even for running the old industry in a proper way. So it was just right that we should give some inducement by abolishing the capital gains tax. Of course as a villager, we feel that it should not have been abolished. I am inclined to agree with Mr Khandubhai Desai that he is voicing not only the views of the people, but he voices also properly the point of view of the villager.

Having said this, I thank you.

**Shri B. P. Jhunjhunwala** (Bihar: General): Mr. Deputy Speaker. It is very easy to criticise any budget which may be placed before the House. Any item can be taken and can be criticised. But if we had to take an overall view of the thing, I doubt whether there is anything in the budget which can be conscientiously criticized, barring an increased charge on Post-cards and Envelopes to be carried by ordinary mail, or whether it can conscientiously be said that the Finance Minister is becoming a capitalist or is unjust to the core.

Sir, I am looking at the budget from one point of view: namely, whether any tangible result on nation-building programme even in near future has been envisaged. I do not mind even if there is more expenditure than what has been allowed. The only point from which I want to look at the budget at present is whether the work done by the Government justifies this expenditure and this taxation. If the people are taxed more, if there is more expenditure and if the burning problems of the day are solved, then it does not so much matter to the country whether we have to pay more or whether we give something more to the secretariat staff or people here and there. But the grouse arises when we find that apart from the routine work there is nothing tangibly forthcoming to give us a hope that even in the near future we shall be able to fight the different burning problems of the day.

The first problem to fight is the inflation. Sir, I have been hearing the Finance Minister very carefully and all the Ministers on various subjects but I remain unconvinced that from what they have said there is any hope that in the near future we shall be able to fight this inflation. The most important thing necessary to fight inflation for the present is to produce in this country as much as possible such materials as are required for our day to day use and which are essentially necessary. Sir, when I look to this thing, I find that there is no assurance coming from any of the Ministers that we shall be able to produce all these articles and bring down the cost of living.

I was looking to the figure of the cost of living here compared with the cost of living in the United Kingdom. Sir, in the United Kingdom in May 1948, the cost of living figure was 112 while in India it was more than 325. Sir, I hear that the recent figure has still gone up in India, while in England, which has suffered so much from war, the figure of the cost of living is going down. The one thing which I have said is that our Government does not pay attention for more production of such materials which tell upon the cost of production and I have said when I was speaking on food problems and also on industry that it is possible to do it, with the available materials in this country of ours. The only thing required is that we have to change our approach. We have to feel convinced: we have to feel confident of our potentialities that we can do it and not to be sceptic about it. But the difficulty is that those who are at the helm of affairs have got some preconceived ideas and they cannot get rid of these ideas. They look only to the outside world and to all industrial developments; but as I have said before, and I say even now, unless we industrialise ourselves on the same basis as the other countries are doing, we cannot exist; and that problem we should not give up. But it does not follow that we should give up or we should not mind the problems which can be easily solved.

Sir, I was saying that we have got some preconceived ideas which we cannot get rid of. The other day when I was speaking on food, and when I was saying that with the available materials, and with ordinary and even old-time agricultural implements, and with the seeds and the power which these cultivators have got, we can produce, I make bold to say that even with those old types of implements which require ordinary repair and with the good seeds transported and made available to the cultivators production can be increased by 15 per cent. This was said even by a foreigner, I am just not remembering his name. He contended that the Government of India apart from looking to the big schemes, should pay attention to the small things and they will find that they will be able to increase their production by 15 per cent and there will be no necessity for importing foodgrains which is impoverishing our country.

When I raised this point, and when I gave him the instance of the experiment I had made in a field where all these things were properly given there was a produce, when compared with the adjoining field, of 15 per cent more. Nothing extraordinary was done. Only the proper seed was given as also the proper implements and bullocks to the cultivator. What the honourable Agriculture Minister said was that in addition to these things there was the intellect also. We seem to have a very poor opinion of our illiterate villagers. Illiterate though they are they possess more agricultural knowledge than the people whom you send to them to spread the result of your research in Delhi. These pre-conceived ideas in the mind of the people at the helm of affairs cannot be got rid of and hence these steps are not taken to improve the production.

I shall give another similar instance. These things might appear most ordinary but they go a great way in solving our food problem. I was looking

[Shri B. P. Jhunjhunwala]

through the report of the Ministry of Industry and Supply. It was said there that the production of sugar was greater and the reason given by them is that the cane price in 1947-48 was increased to Rs. 2. I could not understand this. When the price of Rs. 2 was announced all the cane had already been planted and there was no fresh cane planted. Only the available cane was there, though the cultivators got more for it. We have been telling every year the U.P. and Bihar Governments that if they want to properly organise the industry they should fix the cane prices in time before the planting, so that the people can take advantage of that. Instead of doing that they will do it just after the crop is ready and the result is that we do not get more production. The poor cultivators plant the cane in abundance for subsequent years because of the high price allowed on existing crop and then when there has been sufficient cane the Government comes in and reduces the cane price to Rs. 1/8 or 1/4 with the result that the cultivators are put to great loss, and the whole industry gets disorganised. As I was saying the authorities at the head take something into their heads it is very difficult for them to get rid of it, because of the superiority complex of their wisdom.

The other day when I was speaking on industry I pointed out to the honourable Minister that 4·5 crores had been spent till now and out of this the two most heavy items of expenditure were machinery and building. On that he said that 1·5 crores were spent. I requested the Minister to tell me how the 2·50 crores had been spent. Instead of replying that question he simply replied "In spite of my repeated assurances to the Member speaking he still thinks that there will be no production of fertilisers soon and he lightly said that the cost of production would increase to Rs. 200/- per ton from the estimated cost of Rs. 125/- per ton" and said that he was sorry for me. I do not mind if he was sorry for me but the proper thing to be explained was how those 2·5 crores have been spent and how the cost would increase from Rs. 125/- to Rs 200/- which appeared to him ordinary thing but was a heavy permanent burden on the country. Any businessman or anybody at the head of affairs will keep the facts at his fingers' ends and explained how out of the 4 crores 1·50 crores were spent on this and 2·50 crores were spent on something else. This is the way in which things are being done. I am not saying this from the point of view of criticism or finding fault with anybody but, as I have said, we have inherited habit of keeping quiet on things and not trying to find the remedy—which it is difficult to remove before we find ourselves in the ditch, when it is too late to remove the same.

Last year when the Finance Bill was under discussion and the removal of the supertax on sterling and dollar companies was being discussed it was said that one of the reasons for removing that was that we were giving very substantial amounts to the tune of crores as a refund to such people who have got income below the taxable limit. This was a very substantial amount and by this amendment we were getting rid of it. I discussed this point with the authorities concerned and said that he was wrong in his estimate. I said that it was all right to have this amendment and to pass it in this way but then to come here again and reimpose some other tax will produce a very bad psychological effect upon the foreigners whose capital we require. When I put a question as to how much the amount of refund was, the answer came that it was only 20 or 25 lakhs and the Finance Minister this time had to come with a proposal to impose an additional capital tax of two annas, which I had suggested in my speech then. I do not say that this should not be imposed. My only point in bringing this matter up before the House is that the authorities concerned should in time realise and should not be over confident of their wisdom especially when something is pointed out to them as to what they are going to do in future, what will be its psychological effect and what other effect it will produce.

One point more and I have done. I am not committed either to the socialistic or the capitalistic point of view. The only thing needed, as the Deputy Speaker has pointed out, is as to how to produce more and the Government, whether it takes a socialistic or capitalistic view, should be strong and should not waver. The Finance Minister has removed the capital gains tax and he has given his reasons. Mr. Goenka and Mr. Khandubhai Desai opposed it. They had their own reasons. I am not going into the merits of it. The reason given by the Finance Minister that he wants to have capital formation and he wants to create confidence among the investors, so that they will save money and invest. But while meeting the argument the honourable Minister said if we find in the future that this tax is workable and we can realize it from those people then after two or three years we can reimpose it. I say you reimpose it or do whatever you like after two, three or four years, after we have made up our production. But why say it now? The psychologigal effect that the Minister has produced goes away.

With these remarks I support this Bill. As I have said, it is very easy to criticise, but before doing so we should look to the difficulties in which our Finance Minister is placed.

**Mr. K. T. M. Ahmed Ibrahim** (Madras: Muslim): Mr. Deputy Speaker, Sir, the consideration of the taxation measures of the Central Government and the Provinces will convince anyone that most of them are bound to act as a heavy burden on the common man, especially the lower and the middle class people. If we look into the proposed taxes of my Province and of the Central Government we find that almost all the necessaries of life are proposed to be taxed. The only thing that is left out seems to be air and I do not know when that also will be taxed. Turmeric, chillies and everything is being taxed. Here the postal rates are sought to be enhanced. You, Mr. Deputy Speaker, said that the prices of all necessaries of life have risen and therefore it does not matter if the villager pays half an anna more for the postal service. It is true that the prices of all necessaries of life have risen. But what is the purchasing power of the villagers? Have this Government or the Provincial Governments done anything to increase substantially the purchasing power of the villagers? Have you done anything to improve substantially the standard of living of the villagers? It is true that the cost of living index rises from day to day, but how are these people to meet this rise in the cost of living? Has anything been done? Such being the case it is no argument to say 'after all you are paying more for these necessaries of life; so you pay half an anna more for this also'. The postal service has in these days become one of the necessaries of life and how are they, the poor people, to find this additional half an anna? What I would suggest is—and it has been suggested by other honourable Members also—increase the postal rates with regard to those who use the postal service for enriching themselves, for increasing their profits, that is by sending them by air mail; but so far as the surface mail is concerned, retain the old rates. It is no argument to say that since the villagers have to pay more for their necessaries of life let them pay half an anna more for the postal service also. It is no argument. They are not able to find the wherewithal to obtain their necessaries of life and it is not advisable and proper to tax them more for this also.

Next I would refer to the tax on the export of cloth. It has been said that this country has not been able to export in full to various countries the quota of cloth that has been allocated for the purpose. Still this export duty is being retained. Do we not want to earn more foreign currency to meet our expenses abroad? In that case should we not increase our exports? If we want to increase our exports the articles which we export must be able to

[Md. K. T. M. Ahmed Ibrahim]

compete with the articles which go to those countries from other foreign lands. If they are not able to stand competition surely you will not be able to export your goods. Looked at from this point of view it is absolutely necessary that this export duty on cloth should be removed. In this connection I would make a reference to the present plight of the handloom industry of this country, especially of my Province. The handloom industry has survived, developed and progressed not on account of internal consumption but on account of foreign trade. I would quote only one instance to show how the stoppage of foreign exports affects this industry. When during the last war, on account of Japan's aggression on Burma and Malaya the export of handloom cloth to those countries was stopped the weavers suffered heavily. They had not even the necessary means for their maintenance and the Madras Government had to make provision for them under the Famine Code.

**Mr. Deputy-Speaker:** Is not the export duty confined to mill-made cloth?

**Mr. K. T. M. Ahmed Ibrahim:** I am aware of it. I am urging on the Government to take steps to increase the export of handloom cloth.

**Mr. Deputy-Speaker:** The honourable Member may continue his speech after Lunch.

*The Assembly then adjourned for Lunch till Half Past Two of the Clock.*

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*The Assembly reassembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.*

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## STATEMENT OF GOVERNMENT BUSINESS

**The Honourable Shri Jawaharlal Nehru** (Prime Minister and Leader of the House): Sir, regarding the duration of this session, so far as Government is concerned we should very much like to complete the work of this session by the 7th of April. If by any chance some very important work is left over and the House is so willing we are prepared to extend the period by two days. But we should like so to organise our work as to finish by the 7th.

**Shri M. Tirumala Rao** (Madras: General): May I know whether Government have any intention of further prolonging the session beyond the 7th—because the management of business is not in our hands?

**The Honourable Shri Jawaharlal Nehru:** It is not our intention.

**Pandit Mukut Bihari Lal Bhargava** (Ajmer-Merwara): May I know whether the Ajmer-Merwara Bill will be taken up in this session? It won't take more than one or two days.

**The Honourable Shri Jawaharlal Nehru:** I understand that the Ajmer-Merwara Bill is likely to take at least five days—may be six—and although we would like to take it up it is rather difficult to deal with it in this session.

**Mr. Speaker:** Practically the position is that we may have to extend the session by a couple of days if the state of Government business so requires, and in addition we should have Saturday also. That is what it comes to. Very well then, I will allot Saturday for official business.

**Seth Govind Das** (C.P. and Berar: General): May I know whether the Hindu Code Bill is going to be taken up in this session or in the next session, because on that the other Bills and the other work will depend?

**Mr. Speaker:** That is for the Government to consider. I am allotting it for Government business, and whatever business Government puts in, will

come up. If they put Hindu Code Bill it will come; if they don't, it will not come up.

**Shri Mahavir Tyagi** (U.P.: General): Are you taking Saturday also?

**Mr. Speaker:** That is the request made to me and I wanted to know about the possibilities of going beyond the 7th. If there was no possibility of going beyond the 7th, I should have said that we should sit on Saturday. But it seems there is a possibility both ways.

**The Honourable Shri Jawaharlal Nehru:** We should try our utmost to finish by the 7th—but I cannot rule out absolutely the possibility of going beyond that. I think in that event it might be desirable, if I may say so, to sit on Saturday.

**Mr. Speaker:** That is why I said in view of the possibilities of all the three days being required, there is no other alternative but to allot Saturday. We will sit on Saturday the 2nd April.

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## INDIAN FINANCE BILL—*contd.*

**Mr. K. T. M. Ahmed Ibrahim:** Sir, I was referring before Lunch to the necessity of helping the handloom industry. The other day the honourable the Finance Minister himself said that this industry will very soon have to face grave danger.

**The Honourable Dr. John Matthai** (Minister of Finance): I did not say that "it will very soon have to face grave dangers"—that is not my phrasing at all.

**Mr. K. T. M. Ahmed Ibrahim:** In effect it means that. I would like to know what steps Government have taken to prevent this industry from being destroyed. This industry, as I said, has survived on account of its foreign export trade. What are the steps that the Government has been taking to encourage the export of handloom cloth? Has their policy been consistent and uniform? On the other hand the policy of the Government towards this cottage industry has been halting and vasciilating. Last year exports of handloom cloth to Pakistan were permitted, and hoping that that policy would continue weavers were manufacturing cloth which could be sold and which was in demand in Pakistan alone. But suddenly exports to that country were stopped with the result that there is an accumulation of cloth of the value of more than Rs. 5 crores which, as I said, can be sold only in Pakistan. It is true that recently there has been some relaxation with regard to this matter, and 5 crores yards of handloom cloth are allowed to be exported to Pakistan. But in actual practice nothing has been done and it is not possible now to export any yard of handloom cloth to that country. Now the handloom weavers are in a very difficult plight. They were getting yarn sufficient only for ten days in a month and with that yarn they were manufacturing the cloth with the hope of meeting their monthly needs with the income they would derive thereby. But even the cloth manufactured out of this ten days yarn has now accumulated. From this one can understand the miserable plight of the handloom weavers. Therefore I would appeal to the Government to take steps first of all to see that this accumulated stock is cleared and then to see that exports to other countries are also encouraged. They must be told definitely that they would be allowed to export to particular countries. The difficulty arises when there is a sudden change of policy. On account of this vascillating policy, on account of the fact that the policy is changed from time to time the poor handloom weavers have suffered a great deal and I would appeal to the Government to see that their suffering is put an end to by following a consistent policy which would ensure certainty to the industry.

In this connection I would also refer to a press note which was issued this morning regarding the export of sewing thread to Pakistan. On account

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of the removal of control so far as sewing thread yarn is concerned, the spoolers who manufacture this thread are put to very great difficulties. Some of the agents and sub-agents are not selling at normal rate the yarn required for the purpose with the result that those who are engaged in manufacturing this thread are put to very great difficulty. They have made representations to the Provincial Government and also to the Provincial Textile Commissioner but their representations have not in any way been effective. This is a matter which the Central Government must consider seriously. Many of these spoolers who are engaged in manufacturing sewing thread are put to difficulty on account of the fact that this yarn has gone into the black market; it is not available to the spoolers who are engaged in this industry for a long time.

I shall now come to the tanning industry which is the third largest exporting industry in the whole of India and the largest exporting industry in the Province of Madras. This industry now suffers from troubles both internal and external—internal on account of the labour trouble. The House may be aware that during the past about two months there is strike going on in the several tanneries in Vanujambadi in North Arcot District. These tanneries have been manufacturing leather of a very high grade quality. The Madras Province produces the largest amount of leather in the whole world and the quality produced is the best in the whole world. It is therefore very necessary that sufficient steps should be taken to safeguard this industry from the intransigent and hostile attitude of labour.

Again, on account of certain inherent difficulties in the method of marketing that has been adopted by the industry, it is suffering a great deal. To find out new methods of marketing and also new fields for marketing the product of the industry, the Government of India sent a delegation in 1947 to the United Kingdom, America and certain countries of Europe. That delegation has submitted its report. I understand that it has made concrete proposals for the better protection of this industry and for effecting sales of the product of this industry in countries other than England. I would like to know whether any steps have been taken in pursuance of that report, whether that report has been considered by the Government and whether the proposals made therein have been accepted or rejected by the Government. This industry is, as I have said, the third largest exporting industry in the country and if it suffers it will surely react heavily on the economy of the Province and the country as a whole.

With regard to the mineral resources of the Province of Madras, I would like to add one word. It is now admitted that the mineral resources of Madras are very rich but they have not been properly surveyed. Whenever the attention of the Provincial Government is drawn to the matter, we are told that a proper survey could not be effected on account of the fact that the Government of India has not got the necessary personnel. Sir, this is a matter which should be looked into. Adequate steps should be taken to survey the mineral resources of the Province and to exploit such mines as have been discovered already. For example, lignite has been found in South Arcot, iron ore has been found in Sandur and Salem and aluminium ore, bauxite, etc. in Salem District. If these mineral resources are exploited the prosperity of the Province will advance by leaps and bounds. I do not know why the Government should be adopting a snail-slow policy with regard to this matter.

Another matter I would like to urge upon the Government and that is with regard to the contribution made by the Centre to the Provinces. So far as my Province is concerned, it has been suffering heavily on account of the very small contribution that is being made to it from the divisible portion of

the income-tax. Before partition, Madras and U.P. were getting 16 per cent. each. Now after partition, as a result of the Conference of the honourable the Finance Minister with the Provincial Finance Ministers, the proportion for Madras has been fixed at 18 per cent. while U.P. gets 19 per cent. The amount of income-tax collected from my Province exceeds more than twice or three times the income-tax collected from the U.P.; still the percentage which is given to Madras is less than what the U.P. gets. Is the percentage based on the amounts of collection from the Provinces or is it based on requirements? From both these points of view Madras deserves a larger percentage than the U.P., especially now when the prohibition scheme is being carried out and the zamindari abolition scheme is to be given effect to soon. Therefore, I urge that the right of Madras to a larger amount of contribution should be seriously considered by the Government.

Another point which I desire to urge is that on account of the situation in Malaya and Burma, several Indians in those countries, could not return to India during the last war. Those who came had to leave all their properties there and the Central Government gave allowances to these refugees and also to the dependants of those who could not return to India. Now I understand that in many districts the Madras Government is taking steps to collect the allowances paid to them, as a result of instructions received from the Central Government. Sir, those people have not begun life again, they have not the means of maintenance at all. How are they to repay these allowances? If their position is properly considered the Government must continue to pay them allowances until they settle down in life. Any way it would be impossible for them to repay the allowances already paid to them. I request the Government that the allowances paid to them be wiped out and if possible further allowances be paid to these unfortunate people who have left those countries and come here penniless leaving everything behind.

**Pandit Mukut Bihari Lal Bhargava** (Ajmer-Merwara): Mr. Speaker, Sir, the Finance Bill has been discussed for several days in this House. As it has emerged from the Select Committee it is almost of the same character as it was when we referred it to the Select Committee. The taxation proposals that stand incorporated in the Bill formed the subject-matter of comment by me at the stage of General Discussion and I do not, therefore, want to repeat the same arguments here. My impression then was, and now is, that the effect of the Budget, in spite of all that has been said for the merits and demerits of the proposals incorporated therein, is to make the rich richer and the poor poorer. The only relieving feature is the recommendation of the Select Committee to raise the exemption limit of the joint family units to Rs. 3,500 which the honourable the Finance Minister has kindly consented to further raise to Rs. 5,000. That is a relief that was long overdue and it will be welcomed throughout the country.

Leaving the taxation proposals here, as has been the tradition of the House on such occasion to ventilate the grievances of the constituencies, I feel it my duty to draw the attention of the Central Government to the miserable condition prevailing in my own Province. Whenever any question about material and moral advancement of the people in the sphere of education or health is raised on the floor of this House, always the reply is given by the Central Government and its Ministers that that is a Provincial subject. But may I ask whether it is not the duty of the Central Government to raise the material and moral standards of the peoples of the Centrally-administered areas of which Ajmer is one? It has always been very unfairly treated in every matter; in education, in health, it is one of the most backward territories of the country and still it gets the smallest attention that is being given by the

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Central Government. The whole of the budget which is spent on the Centrally-administered areas is being swallowed up by Delhi which is of course the pet child of the Central Government. Even in the present Budget, only Rs. 11 lakhs have been provided for education and health. It is a very poor sum. The condition of the dispensaries and hospitals in the Province of Ajmer-Merwara is miserable. The staff is inadequate, the medicines and the injection tubes are insufficient. This point had been raised by me several times on the floor of the House in the form of interpellations etc., but without any effect. I would like that, so far as this backward tract is concerned, the responsibility of the Central Government is direct. The Centre must devote its attention to it. It has been kept aloof from Rajputana geographically, historically and for political reasons and the Central Government cannot escape its responsibility for the moral and material backwardness of the people of this tract. I hope the matter will receive attention.

My other grievance is about the unfortunate condition of the peasantry. The peasantry of this unfortunate province has been downtrodden and has been subjected to centuries of oppression at the hands of the feudal chiefs. There is a very moderate piece of legislation which for the first time contemplates to give a certain degree of security of tenure, assessment of fair rent and the prohibition of illegal exactions by means of an amendment of the existing Tenancy Law. It was hoped that it will be brought on the Statute Book as early as possible. It has been on the anvil of the legislature for over a year and even in this season I was disappointed to find that it has been shelved. A number of civil and criminal cases connected with tenancy matters are there. There have been cases of riots and forcible ejectments and their number is swelling day by day. It is high time that the Government seriously considers this matter. If no timely action is taken the situation may get out of control. Even if it is not possible for the Government to bring up this legislation on the Statute Book in this session, I would seriously and respectfully request them to consider the advisability of promulgating the salient features of this Bill in the form of an Ordinance, because the circumstances are of an emergent character.

Leaving this matter at that I would like to point out to the Central Government to concentrate their attention on the question of the salt industry. The salt duty was abolished after a good deal of agitation. Because salt had always been in the forefront of our struggle for freedom, on the attainment of freedom salt duty was abolished and everybody in the country thought this action will make salt available to the people at a nominal price, or at cost of production. Unfortunately this anticipated result has not been achieved. The other day an honourable Member suggested the re-imposition of the salt duty. I would respectfully submit that it is nothing but a counsel of despair. In fact salt is such a vital commodity for the people that it is essential that it must be made available in abundant quantity to the people. Even today, unfortunately, we are not self-sufficient in salt. The total production during the year 1948 was about 600 lakhs of maunds and out of these, 155 lakhs of maunds were produced in Government factories and the rest in private owned factories. During the year 1948, we imported foreign salt to the extent of 117 lakhs of maunds costing no less than 287 lakhs of rupees. It is a pity that despite the insufficiency in production of salt, the Government are not taking adequate measures to make India self-sufficient in this vital commodity and are not giving due encouragement to those engaged in this trade and industry to make India self-sufficient in salt as soon as possible.

On 23rd April 1948 the Government of India issued a circular by which it was intended to encourage the free manufacture of salt in the country. It was

notified that any person or group of persons manufacturing salt over an area not exceeding 10 acres need not obtain any licence and that the provisions of the Salt and Excise Act of 1944 will not apply to them. Relying upon this notification, the people on the sea coast invested large sums of money in setting up small factories of the size of 10 acres. But, after seven months, a departmental clarification of the previous notification intended to encourage free manufacture of salt came in and whatever concession was given in the previous notification was withdrawn with the result that those who had invested large sums of money for the development of this small industry came to grief. The salt production by them had increased the total output by 20 per cent. and the article was in no way inferior to that produced in Government factories. But still we find that an Association in Tuticorin has submitted a representation which shows how this departmental clarification by the Government of India has caused surprise. Similarly, the production of salt in Dharangadhra, has been seriously jeopardised by the zonal scheme of distribution recently introduced by the Government of India. In Dharangadhra, salt to the tune of 1,00,000 tons per annum is being produced. But what you find is that, under the zonal scheme of distribution, 12,000 tons of salt only has been allocated for being despatched from Dharangadhra to the territory in Central India. From time immemorial, Bihar, Nepal, Nepal Terai, etc., were getting salt from Dharangadhra. This natural market for this salt has been closed and replaced by another artificial market in Central India. So the producers who have no less than 1,00,000 tons of salt in a year have to distribute only 12,000 tons of salt to Khandwa under this zonal scheme. The natural consequence of this arrangement will be great discouragement to the producers.

Similarly, in another place, we find that this monopoly system of district agents appointed by the Government has resulted in great hardship. During the last session of the Assembly, on 3rd February 1948, it was admitted by the Finance Minister in answer to a question that salt was being sold in some parts of the United Provinces at the rate of Rs. 8 per seer. It is indeed regrettable that a commodity which is being produced at 4 annas per maund is sold at the exorbitant price of Rs. 8 per seer. Unless and until this monopoly system of distribution is done away with and every person in the country is allowed freedom of importing salt from the producing area, the condition cannot possibly be improved. Salt is a very vital commodity not only for human beings. It is needed for cattle food and also for industrial purposes. It is parent substance for a number of industrial chemicals like sodium sulphate, caustic soda, etc. Therefore I would respectfully submit that the question of production and distribution of salt must be attended to by the Government and arranged on a scientific basis, and free manufacture of salt should be encouraged in every part of the country. The only restriction that should be placed is that it must be of such a quality that it should be fit for human consumption. Barring this, no other restriction should be placed on the manufacture of salt. Unless and until this step is taken, India will not be self-sufficient in salt. Even the quantity that we are consuming today is hardly sufficient for good living. Perhaps the consumption of salt per capita is the lowest in India. It is 8 lbs. per capita. I therefore submit that this matter will receive due consideration at the hands of the honourable the Finance Minister and the honourable Minister for Industries and Supplies.

3 P.M.

**Shri Deshbandhu Gupta:** While speaking at an earlier stage on the Home Ministry cut I had described this year's budget as a compromise budget. I am glad that the honourable the Finance Minister has given further proof of his compromising spirit by agreeing to a long-standing demand of the Hindu Joint Families though partially; but, Sir, compromises are not always good. Some times they bring into glaring contrast certain injustices and I feel that while

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the honourable the Finance Minister has partially conceded this demand, it is not based on equity and justice. Judging from that point of view I find no justification for not applying the same principle to super-tax which he has now agreed to apply to income-tax. I am sure, judging purely from the point of view of equity and justice, he will agree that there can be half-way house in a matter like this. If it is just to give that concession to income-tax payers, it is equally just to give it to super-tax payers. But I am aware of his difficulties. I know that he has not only to see to the requirements of justice and equity but he has also to find the necessary finances for running the Government. I would not therefore press this demand at this stage and I also know that it will not be much use my doing so. But it will suffice for my purposes if the honourable the Finance Minister who has immortalised himself in a way by agreeing to the removal of a long-standing grievance of the Hindus realises the justness of the claim, and gives an assurance to this House that in the next budget he will see that full justice would be done to the Hindu Joint Family. I may say that really speaking it is not a concession it amounts merely to the removal of a long-standing grievance. (*Pandit Thakur Das Bhargava*: 'This is merely an attempt.') My friend Pandit Thakur Das Bhargava who has all along been fighting the battle of the Hindu Joint Families corrects me by saying that it is merely an attempt in this direction. I agree with him and stand corrected. There is another glaring example of injustice which I would like to point out for the consideration of the honourable the Finance Minister. I refer to the discrimination made against some industrial concerns in the matter of giving relief depreciation to them in respect of machinery plant imported and fitted by them prior to 1st April 1948 but after the termination of the war. I tried in vain in the Select Committee to persuade him to do justice to all such industrial concerns as were pioneers in industry and took the risk of importing new machinery and plant soon after the termination of war. The relief that he proposes to give by way of special depreciation on new machinery and plant is a big one and I may even say that it is a generous one. This applies to machinery and plant which is imported after 1st April 1948 and this concession is applicable for 5 years. I would like to know from the Finance Minister as to what particular sanctity is attached to 1st April 1948. As a matter of fact he will agree, that the prices of plant and machinery are now falling and those who imported machinery soon after the termination of war paid higher prices for them than those who have imported machinery and plant after April 1948 or will do so hereafter. Therefore it is only fair that the consideration shown in the case of machinery and plant imported after 1st April 1948 should apply to machinery and plant which were imported soon after the termination of war or say after 1st April 1946. There is no reason to my mind as to why those who paid higher prices for their machinery and plant and who in fact took the lead in getting new machinery and plant as soon as possible after the termination of war should be deprived of this relief which is now being given to other industrial concerns. I would like to impress the justness of this claim on the Minister even at this late stage and I hope if he will consider it from the point of view of equity and justice, he will agree that at least for three years if not for a period of five years, *i.e.*, from 1st April 1948 those who imported machinery and plant after April 1946 should also be treated alike. Besides being fair this will give encouragement to those who always take lead in such matters and I can assure the Finance Minister that if he does so he will not have to repent for it. There is yet another point to which I want to invite the attention of the honourable the Finance Minister. I congratulate the Income-tax Department for having collected big arrears during this year—I

feel they do deserve our congratulations for collecting about 15 crores in an year. They have made a good job of it and while I congratulate them for that I wish to point out that in their drive for collection of arrears there have been instances where firmness has not been combined with courtesy. After all, Sir, the Income-tax Department is a revenue paying department and under the new set-up of things, we have got to make the people who pay income-taxes feel that they are not being unnecessarily harassed and that they are paying what is due to their own National Government, and that the National Government is not the same which its predecessor used to be. I would advocate the strongest measures for collection of arrears and of every pie of income-tax, but I would ask him to consider the desirability of calling Conferences of the authorities of Income-tax Department from time to time and impress upon them the necessity of showing the Income-tax payers due courtesy and consideration while dealing with them. By consideration I don't mean that they should not collect the full amount of money that is due but that they should be treated with courtesy. They should not be unnecessarily harassed and put to inconvenience—on account of the inefficiency of the Department, for instance—called from time to time for explaining the same points. Perhaps the Minister is aware that sometimes notices for the payment of arrears of three to four years are served but practically no time is given to them for making the payment. I have personal knowledge of cases where notices for collection of income-tax took about 10 days to reach the assessee after the orders had been passed and where they were required to deposit the tax for 3 to 4 years within a day or two. I think this causes unnecessary hardship and inconvenience to the people who are required to pay taxes not for the last time but who, we hope, will continue to pay taxes in the future as well. It appears that the Income-tax Department has not got the necessary staff for the purpose. The general efficiency in respect of serving notices and doing other such things is not upto the mark. I feel much of this hardship and the cause for complaint can be removed if the honourable Minister takes a lead in the matter and agree to call from time to time Conferences of big Income-tax Officers and impress upon them the desirability of dealing with the public in a different manner.

I congratulate my friend Mr. Ananthasayanam Ayyangar who has very strongly and in his own inimitable eloquent manner put the case, this morning, of those who have been sinners in the past. I am no advocate of the sinners and I hold no brief for them. But I feel that when a malady becomes general, it has to be treated in a manner different from the ordinary line of treatment. The Investigation Commission has been able so far to lay its hands only on 1,200 cases and it is not known whether even these cases the Commission will be able to deal with finally in an year or so. Sir, my own estimate is, and I think the House will agree with me in this, that cases of tax dodging are not in hundreds, but in thousands. When the question of appointing this Commission was discussed in the House, it was thought that this would prove to be a big boon, and that tax dodging would stop thereafter. But I think, and perhaps the honourable the Finance Minister will also agree with me, that our hopes have been belied. Not only has the Commission been able to investigate about half a dozen cases, but even in those cases the exchequer has not realised the dues so far. Therefore, let me, in all humility, suggest —and I agree with my friend Mr. Ayyangar in this—that some method should be found out to induce the flow of this black money into the proper channels of business and industry. Therefore, my suggestion is,—and that is not a new suggestion,—that for the past sins, some date line should be fixed and Government should come to a decision as to what percentage of the concealed money should be charged from those who assure that they will behave in future; they should then be given a chance, a dog's chance to begin with a clean slate.

[Shri Deshbandhu Gupta]

They should be asked to pay certain portion of the money that they have collected, during that time, at a flat rate of say, 50 per cent. or 60 per cent. or whatever percentage the Government might fix. I am sure that if the honourable the Finance Minister takes courage and follows this course, this will not only bring large amounts of money but will prove to be the best anti-inflationary measure. He will, in this way, get crores and crores of rupees in no time, without incurring any expenditure on collection. Moreover, this will put a stop to the corruption which has become almost a kind of second-nature to many people after the war. How many concerns are there—to-day—I ask which do not have double accountings—perhaps they can be counted on our fingers. Most of the Members of this House who have any connection with business or industry know and I am sure the honourable the Finance Minister himself knows it better than anybody else, that there is large number of firms and business houses, and individuals who had been corrupted during the war, are still maintaining double accounts. Although we have been in office for more than a year now, we have not been able to persuade such people to declare their gains and get their money to flow into the proper channels of business and industries. I therefore, appeal to the honourable the Finance Minister to give serious thought to this aspect of the question. He should not be scared away by slogans, or yield to people who do not take a realistic view of things, and who think that it is enough to call names to some people and be satisfied with the appointment of the Investigation Commission. I think it is time Government and the honourable the Finance Minister took courage in their hands and devised some such method as would bring crores and crores of rupees into the coffers of Government and also put a stop to the corruption which has become almost perpetual.

Sir, I do not wish to take any more time of the House. I hope that the points that I have placed before the House and before the honourable the Finance Minister will receive his due consideration, and that before long the people will feel that there has been a real change after the attainment of freedom in the atmosphere of the country and by next year, due to the steps taken by the honourable the Finance Minister present corruption would have disappeared.

**Sardar Hukam Singh** (East Punjab: Sikh): Mr. Speaker, Sir, at this lag end of the debate, I will confine myself to only two or three observations. In the first place, let me deal with the loan programme of the Government. Our Finance Minister, and also his predecessor, so far as I can judge from the speech that he made here on the floor of the House, were moved by the motive that greater inducement should be given to industrialists to start new business and for surplus capital to flow into fresh industrial enterprises. It was felt even by Mr. Shanmukam Chetty, Sir, that the budget proposals of 1947-48 had retarded the growth of industries in our country and had impaired our industrial development. So with this idea, he formulated his budget proposals and gave certain concessions in income-tax, in excess profit tax and in the income-tax on small companies and so on. So far as loans were concerned, provision was made for Rs. 150 crores. But very little was actually subscribed —something like Rs. 80 to 40 crores. Therefore, this year, our Finance Minister having felt that the concessions given were not enough to induce industrialists to come into the field and start fresh business, in this Budget, has offered concessions to the industrialists, and I think the Government is justified in pursuing that path. Such high incidence of taxation can be justified in a country where industries are fully developed. But in a country where we have to start from the very beginning, certainly this incidence that we have in India is an impediment to the growth of industry. Therefore, we have

given further concessions this time. Rather it is said that Government has surrendered to the capitalists. We have abolished the capital gains tax. We have reduced the income-tax and super-tax and given increase in the depreciation allowances. Of course, this policy I do support. But I fail to understand one thing. We have given these concessions and our object is that capital should flow into the market, and fresh industries should be started, and also that we should get more capital in our public loans. This being so, there is no reason why we should provide only Rs. 75 crores, and that too, as one of the distinguished speakers said this morning, Rs. 68 crores might be converted and only Rs. 17 crores would be left with us. And I feel that the industrialists, after hearing these budget proposals have applauded these proposals and they have given it their appreciation and they have said that they have got what they wanted. And if this be true, then certainly I fail to understand why we should budget only for Rs. 17 or 18 crores loans. Either our Finance Minister has not got confidence in his own proposals, that they would go far enough and bring in that capital that he wants, or he has no faith in the industrialists, in their appreciation of his proposals or in their applause. If he has no confidence, or faith in them, then we need not give them this Rs. 6 crores to get about Rs. 17 or 18 crores. That might be withdrawn and instead, relief may be given to the poor man. Why should the poor man suffer for the sake of these industrialists as they have not yet come to our aid. If he has no confidence in his own proposals, he ought to come out with further proposals so that our aims and objects might be achieved. This is one thing that I wanted to submit.

The second thing is about the commercial Departments. It was said here that our Railways are not yielding us the profits that they should. The profit that we have been told has come to the Indian Exchequer is only Rs. 4½ crores. The Honourable Minister for Railways told us that in addition to it there was the interest they had earned. Certainly, interest is there, but profit has to be counted after interest is paid. Whatever the nature of the concern, either Government or private, it should first take into account interest on its capital and then only profit is to be counted. Now, these concerns, may be they are utility services, are run on commercial basis. We have to see what is the reason for the profit being so small. There too, I may submit that the profit we are getting is only due to the fact that we are allowing so much overcrowding, we are not giving amenities to third-class passengers, therefore this profit is there. If we give them proper facilities and amenities, certainly this profit also would not be there. So the only alternative that we have is to reduce our expenditure, and that has not been done in this Budget.

The third thing that I want to stress is the road transport. I am convinced that any Government managed business or agency can never run as efficiently or for the good of the people as a privately owned enterprise. Leave aside these Railways. We might take the Delhi Transport Service, D.T.S. as they call it. We were told a few days ago that the monthly income of this Service was about 4½ lakhs and the expenditure was 8½ lakhs, but even in that expenditure, the capital investment, the interest, the depreciation, etc., has not been taken into account. If these things are also accounted for, the profit would be very little. Then, so far as private owners are concerned, they are allowed to charge six pies per mile as fare from the public. They supply proper amenities. But I want to submit that when the Government have declared that there is sufficient scope for private enterprise for the next five or ten years and they have assured the industrialists that they would not be touched for some years to come, this industry of bus-owners, of private operators in transport, are afraid of the Democles sword hanging over their head of its being nationalised. The provincial governments are pursuing

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their programme of taking over this industry and what is the result? These persons are not replacing their old vehicles, amenities to the public are not being looked after, because they fear that this industry may be taken over in a very short time. I think the way in which the provincial governments deal with this matter can be made clear by an illustration of a fact which I read only yesterday. The East Punjab Government had placed an order and bought about 166 vehicles for their transport, and these vehicles have been lying there near the Jullundur Secretariat for about a year or even more and so far as the papers give out, the advice of the Central Government had been taken and they have been declared useless for service. 166 vehicles, probably worth about 16 lakhs have been kept there for over a year and then declared unserviceable because they had weathered storm, rain and sun for the whole of the time. This is the state of things, how the provincial governments deal with these matters. Public servants do not feel any sense of responsibility and unless a man has a feeling of ownership in an enterprise, he does not put his heart into it, and that is the trouble. Therefore, my request is, so far as transport is concerned, as we have given this assurance to other industries, so should Government—Provincial and Central—give a similar assurance that this industry will not be touched and will be allowed to carry on for a few more years. What is the advantage of it? Certain operators came to me. They give this undertaking that if the Government gives them a guarantee like this for another three years, they are prepared to pay one pie out of these six pies that they are getting, that is, one-sixth of their earnings, to Government Exchequer. Government would get all the money that they want and they would provide every amenity to the public, make travelling comfortable and do all the things that Government requires. Now, we have raised the duties on petrol, tyres and all these things. We are making travelling even dearer, but in spite of it, they are prepared to assure the Government that even if they are taxed, they are prepared to pay one-sixth of their gross earnings, which would bring a substantial amount to the Government.

**The Honourable Dr. John Matthai:** The discussion has ranged over practically all the general issues which have been raised in the course of the discussion on the General Budget at various stages and the discussion has covered also several of the points which were brought to the notice of my honourable colleagues in connection with the debates on the estimates of the various Ministries. What I propose to do, Sir, within the time at my disposal, is to refer very briefly to some of the more important considerations which have been raised in this debate.

One of the points raised is whether the procedure of setting up a Select Committee to examine the financial proposals is one which is desirable or sound. It is not a matter on which I can express any final opinion, because the final deciding authority is the House. But I think, from my experience of taking part in the proceedings of Select Committees on financial proposals, that while on the one hand there are disadvantages of the kind that my honourable friend Mr. Das referred to, there are at the same time certain advantages. The principal one is that it enables the representatives of Government and of the House to have a free informal, unfettered discussion of the considerations that underlie the Budget, and I do think at the end of it, although they are not able to resolve all the conflicts that exist between them, they are able to understand and appreciate each other's point of view. To that extent, I am in favour of this arrangement, but as I say, I have no right to express any final opinion at this stage.

Sir, a question was raised about the Income-tax Investigation Commission by several honourable Members. The position is that the Commission has

now done a great deal of spade work in connection with the methods adopted in practically all the cases that have been referred to it for evading taxes. Now that the general spade work has been completed, I feel that the progress of the work would be much greater hereafter. Meanwhile, we have already made provision by Ordinance for the voluntary settlement of these cases by agreement between the Commission and the parties.

I hope that the parties whose cases are before the Commission would take advantage of the provision that we have made, and it is my hope and my desire that some basis would be found which will be reasonabe in the public interest and fair to the assessees—some basis on which as large a number of these cases as possible could be settled voluntarily.

Pandit Thakur Das Bhargava raised the question of the Hindu undivided family. Because the matter is coming up in the form of an amendment, and I have already stated Government's position with regard to the question of an exemption limit. I want to make it quite clear that this is a temporary relief and that any decision that we come to today is without prejudice to the decisions that we may take on a final and more comprehensive examination of the whole position. That comprehensive examination would involve two issues: one, whether the joint family is to be regarded as a special entity for income-tax purposes: and two, if so, what exactly is to be the basis and method of taxation.

My honourable friend, Mr. Naziruddin Ahmad raised the question of the salt duty. I do not want to go into the question of the salt tax, because I have no intention of re-introducing the salt duty. But there is a point that he made to which, in fairness to him and to the House, I should give a reply. He said that as soon as the duty was abolished instead of the price of salt coming down, exactly the contrary happened and the result has been so unexpected that that constitutes a sufficient argument for going back upon the decision. I think it is important to remember that the salt tax was removed at a time when economic conditions were greatly dislocated and all the disorganization that took place in the economic structure of the country necessarily reacted upon the salt industry at the time.

There is one more point I would like to mention. When the Interim Government took this decision, I was then, as Finance Member, largely responsible for this decision. The decision that we arrived at was based on two considerations: Firstly that the duty was to be abolished and secondly, along with the abolition of the duty, Government should take every possible step for expanding production of salt and for improving its quality. In pursuance of the second part of our decision we sent a special officer, with wide knowledge and experience of salt production to America and England to enquire into the possibilities of putting the salt industry on a more efficient basis. By the time these investigations were completed, the Finance portfolio of Government passed into the hands of the Muslim League section of the Coalition Government who had no particular interest in this matter. Therefore when the final decision was made and the matter was placed before the House, these considerations which were an essential part of the original scheme, were lost sight of. The duty having been abolished, the Finance Ministry lost interest in the question of salt. Salt however still remained a part of the Finance Ministry but no one was responsible for seeing that the salt industry was developed in the manner originally contemplated. That accounts for a large part of the disorganization that took place. My honourable colleague the Minister for Industry and Supply is very alive to this issue and I have not the slightest doubt that in a short time we should be in a position to put the salt industry on a more satisfactory footing.

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Mr. Singhania, who makes his rare appearances in this House, raised a number of points with regard to cash balances, bearer forms, the excise duty on cloth and foreign capital. All these issues have been discussed over and over again in this House when he did not care to be present, and I do not propose further to go over the ground again.

My honourable friend, Mr. Khandubhai quite rightly said that capital formation is entirely bound up with the question of production. I agree with him. Production is at the root of this problem But I find that, when Mr. Khandubhai talks of production, he seems to have the idea that production is a matter that depends on the employer only. Production is equally the responsibility of the constituency that he represents, Labour and I wish occasionally that Mr. Khandubhai would make an appeal to labour in this country to do its part a little more effectively.

My honourable friend, Mr. Tyagi raised the question of economy in public expenditure. I am glad he did it because, while I know the limits to which we can carry this process of economising, I think it is all to the advantage of the Government, the House and the country, that this question should be brought to the fore and stressed as often as possible because that is the only way in which a democratic Government can be made to do its job properly. He said that next year I should not come up with any supplementary demands. That was his first suggestion: Secondly that within the next year, 1949-50 I should reduce public expenditure by Rs. 100 crores. I regret to say that I am not in a position to give an undertaking on either of these points. (*Shri L. Krishnaswami Bharathi*: 'At least to some extent'.) My honourable friend, Miss Mascarene made the point that there was to be no class distinction recognised in the present state of industrial production. I agree with her. That is a consideration that we ought to keep in mind a great deal more than we are inclined to do. This business of production, and industrial investment, and capital formation: all these have come to a critical stage where the only way in which we could handle them effectively is by the community regarding itself as a single entity for this purpose.

My honourable friend, Dr. Deshmukh asked me why the estimates of customs revenue for 1949-50 are on a lower scale. Well, our estimates of customs revenue are based on three considerations: First of all, what is the foreign exchange available: secondly, what is likely to be the internal demand: whether the demand has reached saturation point in certain lines: thirdly, what is going to be the reaction on indigenous production. We took all these three factors into account and the best estimates we could make have been embodied in the budget.

With regard to the question of general contribution to revenue, I think Prof. K. T. Shah raised the issue with regard to post offices. The general question that has been raised is whether it is right that Government, while running public utilities should use them for the purpose of revenue by taxation. It is a very difficult question to answer. But I think that if we are interested by gradual stages or rapid stages in nationalizing industries, the question of replacing the revenue that you are likely to get by way of taxation is one which we have to take into account. The problem in all its nakedness was raised in Russia where practically the whole industrial system is State-owned. What they do is to levy what is called a turnover tax: that is to say to fix the price of products of the nationalized industry at a level which will not only merely cover the cost of production, but something extra, as a contribution to the State.

I am grateful to the Deputy Speaker for his exposition of the present financial and monetary position. I could not improve on it. I am in agreement with him and that is the basis of the budget proposals that I made.

My honourable friend Mr. Chaliha raised the question of the allocation of grants and loans to provinces. The points that he raised are: first, what is to be the basis on which assistance from the Central Government is to be provided for provincial governments: secondly, what is to be the basis on which the provincial share of the income-tax is to be distributed among the various provinces: thirdly, what is to be the basis on which the provincial share of the export duty on jute is to be distributed among the provinces. These are all difficult questions. The Government of Assam, the province with which my honourable friend is directly concerned, have been writing rather strong letters to me. I am putting it very mildly. Other provinces have also been writing to me with equal vehemence. I am at present in a position where it is impossible for me to steer my course one way or the other and my own mind has been working rather in the direction that my honourable friend Mr. Chaliha has suggested, that probably the best way of finding a solution for this extremely difficult and almost intractable problem is to have something like a Finance Commission appointed which would set this question at rest, at any rate, for a period of years. I am not making any definite announcement. All that I want to indicate is that my mind is working along the direction that was suggested by Mr. Chaliha.

My honourable friend Mr. Jhunjhunwala asked me a question on inflation: "Why is it that in India the level of prices is so high and the cost of living is so high, whereas other countries like the U. K. are able to maintain their cost of living at a much lower level?" My friend Mr. Jhunjhunwala would not have raised that question if he had been in the habit of looking behind the figures that he see in these publications. I have been exercised a great deal in my own mind as regards the comparative position of India in the matter of the cost of living. I am in the habit of studying the figures contained in the monthly bulletin issued by the United Nations. They give the cost of living figures for nearly 60 countries. Out of these 60 countries I should say more than half have a cost of living, as compared with pre-war time, which is higher than ours. There are about 15 Asiatic countries included in it. Among those Asiatic countries there are three countries which have the lowest cost of living, more or less the same—Ceylon, Egypt and India. All the other countries have a higher cost of living than ours, so that I do not think on a comparative basis we have any reason to be seriously perturbed or worried. The inflation problem is a difficult problem and I do not want to minimise its importance but when Mr. Jhunjhunwala says that on a comparative basis we have to hang our heads in shame, I think he is going a little too far.

Taking the case of the United Kingdom there are three conditions that differentiate the position of the U.K. from the position of India. In the first place there is the vast amount of food subsidy 500 to 600 crores a year. And remember they have got all the productive equipment that they need for producing most of the consumer goods that they require which we have not. Remember also that it is a small country which makes it less difficult to enforce a system of control than in a vast country like ours. So that the difference between India and England is not quite so glaring as you might think it is from a superficial examination.

The other honourable Members who took part in the debate referred mostly to local problems and many of these problems are such as might well have

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been raised when the estimates of the Ministries were under discussion. With regard, for example, to the position of certain industries, or the Centrally administered areas and so on, I am not in a position to answer them, because I am not directly concerned with these ministries.

**Dr. P. S. Deshmukh:** There was no time: there was no opportunity to speak.

**The Honourable Dr. John Matthai:** My honourable friend Mr. Deshbandhu Gupta raised the question of giving retrospective effect to depreciation allowances. That point was raised by him in another place and I was not in a position to accede to it at the moment and today I am not in a position either to accept the suggestion. There is a certain amount of force in what he says but considering the financial limitations under which we are working today what we are concerned with is more incentive than equity and if incentive is the primary consideration, then it is the future rather than the past that ought to be our main consideration. It is, taking I regret to say, a practical but not necessarily an ethical point of view but I sometimes have to make compromises which I cannot very well defend.

My honourable friend Sardar Hukam Singh raised the question of the borrowing programme which I have suggested for 1949-50. If market conditions improve I propose to go in for a bigger loan than 85 crores. It does not in the least mean that because I have set a low figure I have no faith in my proposals. I have faith in my proposal and I do hope that the response will be better than the signs so far indicate. If that is so I do intend to make the fullest possible use of any improvement that may occur.

**Mr. Speaker:** The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1949, as reported by the Select Committee, be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** There are two amendments which I believe the Government has accepted.

**Some Honourable Members:** There is only one.

**Mr. Speaker:** There is some amendment regarding export duty.

**The Honourable Dr. John Matthai:** That has already been incorporated in the revised Bill, Sir.

**Mr. Speaker:** What about the other amendments? Do honourable Members wish to move them?

**Shri Lakshminarayan Sahu** (Orissa: General): Yes, Sir.

**Mr. Speaker:** What I was considering about was the position about the agreed amendment which comes under the Third Schedule. I hope that by 5 P.M. we would have reached the Third Schedule, so that the amendment may be moved before 5 o'clock.

**Pandit Thakur Das Bhargava** (East Punjab: General): You may allow me to move the amendment without any speech, so that it may not be ruled out as out of time. If I get time later I shall make my speech.

**Mr. Speaker:** Instead of taking up any clause first out of turn, let us proceed clause by clause as far as we can and in case necessity arises, then preference might be given to the Third Schedule and the amendment can be moved.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy-Speaker (Shri M. Ananthasayanam Ayyangar).*]

**Mr. Nazirudin Ahmad** (West Bengal: Muslim): Sir, I do not wish to move my amendment but I wish to speak against the clause. I have already spoken in connection with the general discussion that I object to the tax being discontinued at this stage. The honourable Minister has kindly replied to the point but has not replied to the particular point of the discontinuance of the tax. The salt industry would not be put to a heavy strain. The tax is so nominal: it is 1/10th of a pie per head per day.

It is so nominal that it is never felt. Neither any addition nor any substraction of the tax has any practical meaning whatsoever to the poor man's daily budget. I find that salt was taxed during the rule of our ancient Hindu Kings it was taxed also in the time of Muslim Kings and during the British period for a long time. So this is a tax with which India has been associated from time immemorial, and this is a tax which will be tolerated by all. If the tax is imposed and the amount collected is spent for the poor, it would be really for the benefit of the poor. The clause as it is, means no benefit to the poor but benefit to the intermediaries. This point, I submit, has not been answered. Sir, I submit that this clause 2 should not be accepted.

**The Honourable Dr. John Matthai:** Sir, I oppose it.

**Mr. Deputy-Speaker:** The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Dr. P. S. Deshmukh:** I had given notice of an amendment to clause 3 because I thought that the rates of postcards and envelopes should not be raised and that instead of that, if we are really short of revenues, the surcharge for their being carried by air should be raised. Even now, looking at the Schedule I feel considerable apprehension as to how the thing would be managed. For instance, the parcels are going to be carried at the rate of six annas per pound whereas if one were to travel by air one has to pay from here to Nagpur ten annas per pound. I am sure the Department will have many difficulties; I do not think the whole question has been at all thoroughly examined. I know it for a fact that the losses that would be incurred by the Railway Department have not at all been calculated; carrying of mails by air would make the Railways lose quite a bit. Then again, the whole load, I fear, would be absolutely unmanageable. Either the Department will have to be absolutely honest about their declaration and carry everything irrespective of cost or they will have to resort to cunning devise. If you consider the newspapers which at present are carried from Madras to Delhi or Bombay to Calcutta at one pice per newspaper, I am absolutely certain it will either be unmanageable or it will not turn out to be at all profitable.

Sir, if in spite of the fact that we want reconsideration of this question of enhancement of rates the Ministry does not find it convenient to withdraw this increase. I would at least appeal to the Ministry that no sooner they find that it is either unmanageable or that there is the principle of diminishing returns coming into operation, they will be bold enough to go back to the old practice of merely imposing a surcharge on those letters which go by air and not insist on this ill-thought-out and ill-considered scheme.

Sir, I do not oppose the clause but I would be very grateful if my remarks are borne in mind.

**Shri Khurshed Lal** (Deputy Minister of Communications): Sir, I think my honourable friend is under a misapprehension. All that was stated was that we shall carry by air all first-class mail. First-class mail includes letters and postcards. So far as parcels are concerned, we have maintained the old rates and it is always open to us to have a surcharge if we carry them by air. To that extent my friend has got it wrong. We only undertook to carry by air first-class mail and that too only wherever there was an air route.

**Dr. P. S. Deshmukh:** You have got discretion even in this matter? I see!

**Shri Khurshed Lal:** We have always got discretion under Section 7 of the Post Office Act and it is under that section that we have been having so far a surcharge on air mail.

श्री लक्ष्मी नारायण साहू : उपाध्यक्ष महाराज, मेरे मित्र डाक्टर पंजाब राव ने जो संशोधन का प्रस्ताव किया है मैं उसका समर्थन करता हूं।

**Dr. P. S. Deshmukh** : I have not moved it.

मिस्टर डिप्टी स्पीकर : उन्होंने संशोधन का प्रस्ताव नहीं किया है।

श्री लक्ष्मी नारायण साहू: Still, I can speak on it.

इसके बारे में मैं यह कहना चाहता हूं कि हम लोग बिजनैसमैन को खुश करने की कोशिश करते हैं और हम लोगों को डर रहता है कि हम बिजनैसमैन के साथ झगड़ा कर के कुछ नहीं कर सकते। हम लोगों ने अभी सुना है कि जिन केसों को इनवैस्टीगेशन कमीशन ने किया है उन को भी छोड़ा जा रहा है। जब हम यह सब काम बिजनैसमैन को खुश करने के लिये करते हैं और गरीब से गरीब आदमी पर ज्यादा पैसा लगाते हैं, जो कि पोस्टकार्ड और लिफाफा लिखता है, जिस से कि एयर मेल के खर्चे को पूरा किया जाय, तो यह सब बहुत अच्छा नहीं लगता है। मैं कहना चाहता हूं कि पोस्टकार्ड और लिफाफा का मूल्य जितना हो सके कम करना चाहिये। जब हम पोस्टकार्ड दो पैसा और लिफाफा एक आने को कर देंगे तो देश में बहुत आनन्द होगा और बहुत आदमी चिट्ठी लिखने लगेंगे। हम यह काम नहीं कर रहे हैं और हम कहते हैं कि हम देश की निरक्षरता को दूर करेंगे और साक्षरता बढ़ायेंगे। कैसे निरक्षरता दूर हो सकती है, और साक्षरता बढ़ सकती है जब तक कि हमारे अर्थ सचिव इस बात को नहीं समझते हैं। हमारे बिजनैसमैन हम को मदद नहीं देते हैं, वह हमारे साथ हाईड और सीक ( *hide and seek* ) का खेल खेल रहे हैं। वह छिप जाते हैं और हम उन को पकड़ने की कोशिश करते हैं। वह हम को लुभाते हैं कि हम कुछ पैसा और छोड़ दें। तो ऐसा करने से हम सब बरबाद हो जायेंगे। तो मैं अपने फाइनेन्स मिनिस्टर साहब से यह कहना चाहूंगा कि जो प्रिंसिपल वह एक दफा तै कर लें उस पर चलें। इनवैस्टीगेशन

कमीशन को पूरे फ़ोर्स से काम करने देना चाहिए । यह बहुत अच्छा नहीं लगता है कि जो चीजें एयरमेल से जायेंगी उन के लिये ग़रीब लोगों को पैसा देना पड़ । जिन की चीजें एयरमेल से जायेंगी उन को तो पैसा नहीं देना पड़ता पर दूसरों को देना पड़ता है, यह अच्छा नहीं मालूम देता । इसीलिए मैं इतना कहता हूं ।

(*English translation of the above speech*).

**Shri Lakshminarayan Sahu:** Mr. Deputy-Speaker, Sir, I support the amendment moved by my honourable friend Dr. P. S. Deshmukh.

**Dr. P. S. Deshmukh:** I have not moved it.

**Mr. Deputy-Speaker:** He has not moved any amendment.

**Shri Lakshminarayan Sahu:** Still I can speak on it. In this connection, I would like to say this much that we people try to appease the businessmen and we are afraid that we cannot achieve any thing by displeasing them. We have been told just now that those cases which have been detected by the Investigation Commission are also being let off. When we do all this to please the businessmen and tax the poorest person to the maximum possible extent—the person who writes a post-card and letter—to make up the expenditure involved in the carrying of mails by air; then this does not look very nice. I would say that the price of the post-card and letter should be reduced to the maximum possible extent. When we lower the price of the post-card and letter to six pies and one anna respectively, then it will tend to give country-wide relief, and a great majority of the people will take to letter-writing. On the one hand, we are not doing this, and, on the other we assert that we shall wipe off illiteracy from the country. How can illiteracy be removed and literacy increased so long as our honourable the Finance Minister does not do anything about it? Our businessmen do not co-operate with us—they are playing with us the game of hide and seek. They hide themselves and we try to catch them. They prevail upon us to allow them some further remission. By following this course, all of us shall be ruined. Therefore, I would urge the honourable Minister to strictly follow the principle which he lays down once for all. The Investigation Commission should be allowed to work with full force. It does not look quite proper that the poor should be made to pay for those articles which will be carried by air. The persons whose articles will be carried by air have not to pay the money, but others will have to bear the burden. This is not proper. It is, therefore, that I urge this.

**Mr. Deputy-Speaker:** The question is:

"That clause 3 stand part of the Bill."

*The motion was adopted.*

*Clause 3 was added to the Bill.*

**Mr. Nasiruddin Ahmad:** Sir, I beg to move:

"That part (j) of clause 4 of the Bill be omitted."

and

"That part (l) of clause 4 of the Bill be omitted."

Sir, these parts relate to enhancement of tax on photographic goods. I submit it is very unkind to enhance this tax.

**The Honourable Dr. John Matthai:** I have great personal sympathy with my honourable friend but he will appreciate my personal sympathy could not stand in the way of my public duty.

**Shri Jaspat Roy Kapoor** (U. P.: General): Could not Mr. Naziruddin be exempted from the operation of this tax?

**Mr. Deputy-Speaker:** In view of what the honourable Minister has stated, does the honourable Member wish to press his amendments?

**Mr. Naziruddin Ahmad:** Sir, I shall value his sympathy and would not like to press my amendments.

**Mr. Deputy-Speaker:** The question is:

"That clause 4 stand part of the Bill."

*The motion was adopted.*

*Clause 4 was added to the Bill.*

*Clauses 5 and 6 were added to the Bill.*

**Sardar Hukam Singh:** I move:

"That part (b) of clause 7 of the Bill be omitted."

Sir, no lengthy speech on my part is required in support of this motion. We are always complaining on the floor of this House that there is transport bottle-neck. We have not got sufficient transport and I am afraid that if this amendment is not adopted, we will be depriving the people of a large part of motor transport facilities. If the tax is as high as is proposed it would create hardship to the people. The poorer man will have to pay more for his journeys by road and his expenses will be raised.

**Mr. Deputy-Speaker:** Motion moved:

"That part (b) of clause 7 of the Bill be omitted."

**The Honourable Dr. John Matthai:** I do not accept the amendment. With regard to this duty on motor spirit and the duty on tyres, I have given very careful consideration to it. I understand what the honourable Mover has said about transport. The position is this: If you take the extent to which railway fares and freights have had to be raised in recent years, you will find that even after these duties are imposed, the extent to which the cost of road transport will be raised will be less than the increase in the railway fares. Even the level of railway fares and freights today is considerably below the general index number as compared with the level before the war, and the cost of road transport will still be below the railway fares. Therefore there is no case for this amendment.

**Mr. Deputy-Speaker:** The question is:

"That part (b) of clause 7 of the Bill be omitted."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That clause 8 stand part of the Bill."

*The motion was adopted.*

*Clause 7 was added to the Bill.*

श्री लक्ष्मी नारायण साहू: उपाध्यक्ष महोदय, मैं इतना कहना चाहता हूं कि उड़ीसा को ज्यादा इन्कमबेंस नहीं मिलता है और अभी जो शेयर मिलता है वह बहुत कम है। आप जानते हैं कि उड़ीसा में करीब २५ रियासतें मिल गई हैं।

मिस्टर डिप्टी स्पीकर: आप मेहरबानी करके अंग्रेजी में बोलते तो फाइनेंन्स मिनिस्टर साहब खूब अच्छी तरह से समझ सकते ।

श्री लक्ष्मी नारायण साहू: इसलिये इस समय वहां पर जो स्टैन्डर्ड आफ़ लिविंग है वह बहुत कम है और इस से उड़ीसा का स्टैन्डर्ड आफ़ लिविंग कभी नहीं उठ सकता। उस की हालत बराबर गिर रही है। मैं इसलिये चाहता हूं कि जो स्टटस इस समय उड़ीसा के साथ मिल गई हैं तो उन का हिस्सा अब बढ़ना चाहिये। अगर आप उन का हिस्सा नहीं बढ़ायेंगे तो वहां का स्टैन्डर्ड आफ़ लिविंग नहीं बढ़ सकेगा और वहां के लोगों को कष्ट होगा और वह सब हम लोगों को अच्छा नहीं मालूम होगा। इसलिये मैं मिनिस्टर साहब से यह चाहता हूं कि वह उड़ीसा का शेयर ज़रूर बढ़ायेंगे .

(*English translation of the above speech*).

**Shri Lakshminarayan Sahu:** Mr. Deputy-Speaker, Sir, I would like to say this much only that Orissa is not allocated an adequate amount of the Income-tax revenue and the share which it gets at present is quite meagre. You know that about 25 states have merged with Orissa.

**Mr. Deputy-Speaker:** If you kindly speak in English, the honourable Minister will be able to understand it fully well.

**Shri Lakshminarayan Sahu:** Therefore, the standard of living prevailing there is very low, and on account of this the standard of living of Orissa can never be raised. Its condition is deteriorating day by day. I, therefore, urge that now when States have been merged with Orissa, its proportionate share should be increased. If you do not increase its share, then the standard of living prevalent there cannot be ameliorated and its inhabitants shall be put to great difficulty, and all of us would dislike it. Therefore, I would request the honourable Minister to increase the share of Orissa.

**Shri B. P. Jhunjhunwala:** The only thing I want to say is that, though large profits are made in the Province of Bihar, the share of income-tax given to it is very little, because of the fact that the head offices of Messrs. Tata and Co. and other big industrialists carrying on business in Bihar are in Bombay or Calcutta. And as such these big industrial concerns which are established in Bihar and give huge profits are taxed in their head offices and so Bihar gets very little share of income-tax, though she is entitled to much more. I request the honourable the Finance Minister to consider this question favourably, and give the due share to Bihar.

**Shri Arun Chandra Guha** (West Bengal: General): Calcutta contributes a good portion of the income-tax and both from the point of view of collection and of the population, West Bengal should get a greater share of income-tax. I hope justice will be done to West Bengal.

**Dr. Mono Mohan Das** (West Bengal: General): During the general discussion of the Budget.....

**Mr. Deputy-Speaker:** The honourable Member will be very brief.

**Dr. Mono Mohan Das:** I will finish within ten minutes.

**Mr. Deputy-Speaker:** At the third reading stage, the honourable Member can speak on any point.

**Dr. Mono Mohan Das:** I do not want to speak at this stage, Sir.

**The Honourable Dr. John Matthai:** All these points which have been raised with regard to Orissa and West Bengal will be taken into consideration.

**Mr. Deputy-Speaker:** The question is:

"That clause 8 stand part of the Bill."

*The motion was adopted.*

*Clause 8 was added to the Bill.*

*Clauses 9, 10, 11 and 12 were added to the Bill.*

**Prof. K. T. Shah** (Bihar: General): I beg to move:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Letters*', for the words 'two annas', the following be substituted : ....."

**The Honourable Dr. John Matthai:** If I may interrupt for a minute, I would point out that the House has accepted clause 8 of the Bill. The first Schedule is included therein.

**Mr. Deputy-Speaker:** We have now come to the First Schedule. Merely because clause 3 has been accepted it cannot be said that the First Schedule has been adopted. The honourable Member may move his amendment.

**Prof. K. T. Shah:** I beg to move:

(i) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Letters*', for the words 'two annas', the following be substituted :

'One anna and six pies, provided that if any letter be marked in any way as intended by the sender to be carried by air-mail, a pre-paid surcharge of six pies for every tola or fraction thereof, shall be made'."

Sir, my other amendments run more or less on the same principle, and, in order to save the time of the House, if you will permit me, I would move them all at once and make one speech.

**Mr. Deputy-Speaker:** The honourable Member may move all the amendments one after the other beginning with No. 19.

**Prof. K. T. Shah:** I beg to move:

(ii) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head '*Letters*', for the words, 'one anna', the following be substituted :

'Six pies' provided that if any letter be marked in any way as intended by the sender to be carried by air mail, a prepaid surcharge of six pies for every tola or fraction thereof, shall be made'."

(iii) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the second entry under the head '*Letters*', the following proviso be added :

'Provided that no letter or postcard which originates and is destined for the same place, or within the delivery radius of the same post office, or within a delivery radius of less than one hundred miles from a post office where there is an air-port, shall be deemed to be intended to be carried by air-mail, and no surcharge shall be levied or collected on any such letter on any account of the means of carriage adopted in that behalf'."

(iv) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Postcards*', for the words 'nine pies', the following be substituted :

'Six pies provided that if any postcard be marked in any way as intended by the sender to be carried by air-mail, a pre-paid surcharge of three pies per postward shall be made'. "

(v) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Postcards*', for the words 'one and a half annas', the words 'one anna' be substituted."

**Shri Lakshminarayan Sahu:** Sir, I would like to move my amendment. I will not speak on it.

**Mr. Deputy-Speaker:** Yes, you may move it.

**Shri Lakshminarayan Sahu:** Sir, I beg to move:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Postcards*', for the words 'nine pies' the words 'six pies' be substituted."

**Mr. Deputy-Speaker:** Prof. Shah. Ever since the Budget was introduced we have been dealing with this question. Therefore on this matter as far as possible there will be very few speeches and the speeches shall be very short in duration.

**Prof. K. T. Shah:** Sir, I will follow your sage advice as persistently as I can.

**Shri B. Das** (Orissa: General): I would like the learned Professor to give us some idea of the financial implications of his amendments.

**Prof. K. T. Shah:** When the honourable the Finance Minister has not been able to supply us with statistics, it is impossible for me to give the statistics. I will however try to do what I can.

These are all amendments which follow the principles that I hold to be sacred, *viz.*, that the public utility service of the kind of the Post Office should not be turned into a profit-making concern for the State. I was under the impression, and I confess I was led to that impression by remarks which fell from the Finance Minister himself, that this was a forerunner of the probable scheme whereunder in the near future all first-class mails will be carried by air. It seems, however, from what the honourable the Minister for Communications was pleased to say yesterday, that I seem to have missed some points between the date the budget was presented and subsequent enlightenment that was given to this House by the honourable Ministers concerned in collaboration or otherwise. The point, however, that I am making is that because we had, in my opinion, not adequate equipment, adequate service and adequate carriers for this purpose, it would be improper, unjust, and unsupported by any grounds of substance, to make such a charge for a service that will really be available to all. I now find on the enlightenment that the honourable Minister for Communications has given that in effect this is not really an extra charge for extra service rendered but that it is simply to recoup what he considers to be a probable loss on the postcards. Now that is a matter on which on principle I cannot possibly agree with the honourable Minister. Because I do not think that a monopoly public service like the post offices should be regarded as a thing which must at every time the Finance Minister is unable to make both ends meet on account of lack of control or insufficient control over expenditure, he must have resort to the post card and such other poor men's privileges to be taxed in order that the delinquency of the Exchequer should be made good. It is bad enough to say that the post offices because it is running at a loss or because of the total finances of the country such a deficit should be made good by such a charge but it is worse in my opinion at least to say that every Department should be expected to make profit on its running. Even in business

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where there are several Departments every Department is not expected to make the same or a substantial profit on its running. I put it to the honourable the Finance Minister himself who has claimed—according to the Press—to have been a successful businessman himself—I will put it to him in a big concern like the Iron and Steel Co.—of which I believe he was once upon a time a Director—and elsewhere—is every Department at Jamshedpur and in Bombay and elsewhere to be regarded as successful only if it showed a surplus on its own account? If that is the practice in the businesshouses where he has been a prominent figure, I confess it is one of those matters of economic theories to which I still remain an unrepentent believer and cannot adopt a new theme that my honourable friend is putting before this House in the enthusiasm of everything new to be adopted. I am personally of opinion that by raising these charges you are not really going to solve either the difficulties of your budget or what is worse, to make the post offices what it is really intended to be. It is much better I venture to say that the post offices should make a loss on the aggregate and therefore utterly indifferent in each Department, Post Card, Letters, M.O.'s and V.Ps. It is utterly unnecessary to worry about the post offices in the aggregate making a loss if it renders the widest public service possible. I go further and say that the lower the charges you have, you will be able to get the greater turn over and therefore even if you have an increase in your cost of production, on the whole you can possibly be making profit. Therefore if you don't start with a move to make profit out of postages but with a view to increase and improve and widen your services and make it as widely accessible to all people, there is every hope that by the very fact of the reduction of the charge, you will be able to show a better turnover and therefore better and greater monetary surplus than you can expect otherwise. Sir it should not really be judged by the amount of profit in this matter.

**Mr. Deputy-Speaker:** The honourable Member need not repeat. There is no time.

**Prof. K. T. Shah:** I am very sorry but it seems to me that.....

**Mr. Deputy-Speaker:** The honourable Member himself said he is repeating.

**Prof. K. T. Shah:** If you wish me not to repeat these arguments even once, I shall try to go over these points. But the point I am further making is that in this particular instance since you are not going to render a greater service and you are making the additional charge frankly in order to fill up a gap, I think it is unjustified.

**Shri Jaspat Roy Kapoor:** The honourable Minister has also said that he will utilize the revenue realized therefrom for the purpose of opening new post offices in rural areas.

**Prof. K. T. Shah:** To which I also object. And therefore my particular amendment. If any one wants to have the luxury of sending his communication by air, by all means make him pay for the extra service that you render. There I see no objection. But to make a general increase without calling it a surcharge, is I think, highly objectionable. All the more so because we are not really exhausting all the directions in which economy could be made. If you had come and asked for this increase in an all-round description, because you have exhausted all the directions in which economies could be made I might have understood that, and however reluctantly, I might have even agreed to it. But as it is, I am by no means satisfied that you have exhausted all the directions in which economies could be effected, either in the Budget

as a whole or even in the work of the post-office, that you have made all the necessary economies and that it is now impossible to find any other means, and so you have come to ask for this increase. In fact, in the same Budget, you are making concessions, grant gifts to those who least need it, and who are the least thankful to you for making these concessions. Yet, you are paying these concessions to the capitalists, these remissions to the super-tax payers and so on, in order to make the rest of the country pay for it. I have not got the statistics which I was led to believe I would get. But if I remember correctly, the figure quoted yesterday was that about 80 crores of post-cards are being carried. The Minister said it was 820 millions. I will take it roughly as 80 crores of post-cards. At the rate of half an anna it comes to 40 crores annas which amounts to Rs. 2½ crores. Increase it by 50 per cent at one stroke and you make an increase of 1·25 crores of rupees. I say this is disproportionately high, not only in itself but in comparison with the reduction that you give to the super-tax payers. For 10 per cent reduction to them, you are here increasing the charge by 50 per cent; which on no canons of economy, of equity or justice, can I think be defended. Even with my last voice I will protest against this kind of mulcting of the public on the ground that prices have increased and all that. You have increased the prices, and still you say therefore the people are better off and therefore they can jolly well afford to pay for the luxuries of others. You say that one particular department is not making a profit and you raise the charge on the post-card. This is highly objectionable. You cannot quote a single example in which post-offices in any liberal advanced country are being run on a profit-making basis, to bring in profit for the exchequer which otherwise finds itself in difficulties. Neither in the United States of America nor in England nor anywhere else in the world where postal traditions are much longer, can you find any such thing; nowhere else is this permissible, this frequent expedients of the Finance Minister. This, Sir, to my mind is a sad irony, that the last British Finance Minister in this country should restore the six pies post-card and the first Indian Finance Minister should undo it. This, Sir, is a tragedy which I cannot speak of in words. To me, it is not merely an anomaly but an exacerbating cruel irony, that our liberal Minister of Finance, our national Minister of Finance who professes to have such deep-seated sympathy—and I have no doubt about his sincerety and sympathy for the poor man, should at one stroke increase the cost of the post-card, without precedent, parallel or principle, and that too without rendering any extra service. Develop your post-offices, I say, develop your other services, and I am sure you will be able to get more than what you expect to get by this sudden, almost arbitrary increase in the postal rate. There is another instance—the carrying of money-orders. You have, as I pointed out on another occasion, a disproportionately heavy charge on the carrying of small sums by money-order which only affects the poor man. Why not have some method by which post-office savings bank accounts could be transferred by them? That will bring in by interest alone sufficient to make up this deficit, which you are thinking of meeting by increasing the charge on the post-card and by adding and adding to the cost of the charges. I think about 143 crores of rupees were carried by money-orders, according to the memorandum we received. If this much or even half of it had been deposited in the post-offices, and remittances made, you could have made much higher savings on interest alone at 1 per cent interest. It would have brought in one crore of rupees, and what is more, you will be rendering a greater service to the poorest class of people who will value it most. But apparently my words fall on deaf ears. There seems to be an impenetrable wall. Naturally as the saying goes, "None so blind as will not see, and none so deaf as will not hear." I have, however this satisfaction, I have the satisfaction of having raised my voice and registered my protest against this

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utterly indefensible, and uneconomic raising of postal charges. I therefore, Sir, commend my amendment to the House.

**Mr. Deputy-Speaker:** I shall now place the amendments before the House.

Amendments moved:

(i) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head *'Letters'*, for the words, 'two anna,' the following be substituted :

'One anna and six pies, provided that if any letter be marked in any way as intended by the sender to be carried by air-mail, a pre-paid surcharge of six pies for every tola or fraction thereof, shall be made'."

(ii) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head *'Letters'* for the words, 'one anna', the following be substituted :

'Six pies' provided that if any letter be marked in any way as intended by the sender to be carried by air-mail, a pre-paid surcharge of six pies for every tola or fraction thereof shall be made'."

(iii) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the Second entry under the head *'Letters'* the following proviso be added :

'Provided that no letter or postcard which originates and is destined for the same place, or within the delivery radius of the same post office, or within a delivery radius of less than one hundred miles from a post office where there is an air-port, shall be deemed to be intended to be carried by air-mail, and no surcharge shall be levied or collected on any such letter on any account of the means of carriage adopted in that behalf'."

(iv) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head *'Postcards'*, for the words 'nine pies' the words 'six pies' be substituted."

'Six pies provided that if any postcard be marked in any way as intended by the sender to be carried by air-mail, a pre-paid surcharge of three pies per postcard shall be made'."

(v) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head *'Postcards'*, for the words 'one and a half annas', the words 'one anna' be substituted."

(vi) "That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head *'Postcards'*, for the words 'nine pies', the words 'six pies' be substituted."

Now the amendments and the clause are all open to discussion. Pandit Kunzru.

**Pandit Hirday Nath Kunzru** (U. P.: General): Mr. Deputy-Speaker, I oppose the proposed increase in the postal rates in the Finance Bill. I do so, Sir, first because the combined Posts and Telegraphs Department is not running at a loss. It is true that the surplus will be less next year than in the current year, nevertheless the Department will be working at a profit. It is not right to say that because one of the articles with which this Department deals namely, the postcard is not being sold at an economical price, therefore not merely the price of that article must be raised, but along with that, that of another article namely, the letter too. Sir, there are business concerns which combine two or three services. But if they are running as a whole at a profit, that is all that is expected of them. I doubt whether Government or the public would approve of the raising of the price of anything manufactured by a company that was dealing in three or four other articles also and was making a profit on the whole.

The second reason why I oppose the increase is that in no country in the world have the people been compelled to send their letters by air mail. Even in America, that compulsion is not applied. I do not see why Government

should go out of their way in this country to compel the unfortunate people who have to write letters to send them by air mail, especially when it is clear that a good proportion of the letters cannot be sent by air. This increase may be in the interests of the unfortunate company which, at the instance of the Communications Minister, is flying letters and postcards by night at a heavy loss, but it is certainly not in the interests of the public who have never demanded that all first class mail should be transported by air.

My third reason is that if the increase in the postal rate is not resorted to, no part of the deficit will be left uncovered. Government expect that the increase in the price of postcards and envelopes will yield a revenue of Rs. 2·84 crores. Let us see whether the Finance Minister may reasonably expect to get more money than this in the course of the year, money that he has not taken account of in his Budget.

**Mr. Deputy-Speaker:** Am I to understand the honourable Member to say that the original Schedule ought to be restored, that is, the surcharge of six pies in addition to two annas? I am not able to follow the honourable Member.

**Pandit Hirday Nath Kunzru:** Is the Chair putting me that question? My answer is that I stand for the present system.

**The Honourable Mr. Rafi Ahmad Kidwai** (Minister of Communications): May I point out that by accepting article 8, we have done away with the present system and substituted the new Schedule. Now, if the suggestion is that we should go back to the present system. I think it is inconsistent with the latest position.

**Mr. Deputy-Speaker:** I have already said that so far as the Schedule is concerned, we are committed to the Schedule by merely accepting clause 8. Therefore, the amendments are open to discussion and I only appeal to the honourable Member that all these matters have been said and under the existing rules guillotine will be applied at 5 o'clock and there are some more amendments to be moved. So I would appeal to the honourable Member to state any new points, if there are any. I will be the last person, having regard to the experience of the honourable Member, to suggest to him the way in which he should place matters before the House. A number of points have been thrashed out for a long time on this matter.

**Pandit Hirday Nath Kunzru:** I am sure the Chair will acknowledge that I have not taken a minute of the House either today or yesterday, but if the Chair still feels that the discussion should not go on, I will sit down.

**Mr. Deputy-Speaker:** The honourable Member should not misunderstand me. These matters were placed before the House by other Members. That is all I am saying. The honourable Member may go on. I would only request him to state his points and conclude.

**Pandit Hirday Nath Kunzru:** I am trying to be as short as possible. I was saying a little while ago that even if the increased postal rates were not agreed to by the House, there would be no uncovered deficit. The reason for it is this. The agreement arrived at at the International Wheat Conference in New York will enable Government to save a substantial sum of money over the subsidies given to the provinces in respect of the sale of wheat. I understand that the new rates will enable Government to save about Rs. 2½ crores. Then, Sir, the recommendations of the Economy Committee which, I am sure, will submit its final report to the Finance Minister very soon will enable Government to save a substantial sum. The previous Finance Minister budgeted for an interim saving of Rs. 2½ crores. I think we may safely assume that the eco-

[Pandit Hirday Nath Kunzru]

nomies that will result from the labours of the Economy Committee in the course of the next year will not be less than Rs. 3 crores. (*Shri H. V. Kamath*: 'We can only hope,') You will thus see that Government will, in the course of the year, get at least Rs. 5½ crores more, which is nearly double the amount that they expect to get from the increased postal rates.

Lastly, Sir, I would like to point out that the Income-Tax Investigation Commission, if it concludes even a portion of its work in the course of the next year, will enable Government to get a few crores more by way of income-tax. Nobody knows the total amount of income-tax that has been evaded, but considering the fact that in the opinion of the Government the problem was of such a magnitude as to require investigation by a Commission, I think we shall not be wrong in assuming that the Commission will enable us to realise a large sum that the Exchequer might have been defrauded of. I think, putting this additional revenue at a modest figure, it will not be less than three times the increase expected from the new postal rates. There are other ways too in which Government will get additional revenue, but I do not want to deal with them now. The new sources of income to which I have drawn attention are sufficient for my purpose, and I think that now the burden lies on the Government to show that unless this increase is allowed, the finances of the country or the financial solvency of the country will be jeopardized.

Sir, this is a very objectionable proposal. Even during the war and before that during the period of depression so far as I remember, the price of the envelope was never raised to two annas, but now when there is nothing in our financial situation to require this increase, this Government is compelling us to pay two pice more for each envelope. I think that this increase is utterly iniquitous and should therefore be opposed by every means in our power.

**Mr. Deputy-Speaker:** The question is:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Letters*', for the words, 'two annas', the following be substituted:

'One anna and six pies, provided that if any letter be marked in any way as intended by the sender to be carried by air-mail, a pre-paid surcharge of six pies for every tola or fraction thereof, shall be made'."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head '*Letters*', for the words, 'one anna' the following be substituted

'Six pies, provided that if any letter be marked in any way as intended by the sender to be carried by air mail, a pre-paid surcharge of six pies for every tola or fraction thereof, shall be made'."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the second entry under the head '*Letters*', the following proviso be added:

'Provided that no letter or postcard which originates and is destined for the same place, or within the delivery radius of the same post office, or within a delivery radius of less than one hundred miles from a post office where there is an air-port, shall be deemed to be intended to be carried by air-mail, and no surcharge shall be levied or collected on any such letter on any account of the means of carriage adopted in that behalf'."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Postcards*', for the words 'nine pies', the following be substituted:

'Six pies provided that if any postcard be marked in any way as intended by the sender to be carried by air-mail, a pre-paid surcharge of three pies per postcard shall be made'. "

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head '*Postcards*', for the words 'one and a half anna', the words 'one anna' be substituted."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That in the First Schedule to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Postcards*', for the words 'nine pies', the words 'six pies' be substituted."

*The motion was negatived.*

**Mr. Deputy-Speaker:** The question is:

"That the Fist Schedule stand part of the Bill."

*The motion was adopted.*

*The First Schedule was added to the Bill.*

**Mr. Deputy-Speaker:** The question is:

"That the Second Schedule stand part of the Bill."

*The motion was adopted.*

*The Second Schedule was added to the Bill.*

**Pandit Thakur Das Bhargava:** Sir, I move:

"That in Part I-A of the Third Schedule to the Bill for the words, "The limit referred to in the above proviso shall be Rs. 3,000 in the case of every Hindu undivided family, and Rs. 3,000 in every other case', the following be substituted:

"The limit referred to in the above proviso shall be—

(i) Rs. 5,000 in the case of every Hindu Undivided Family which satisfies as at the end of the previous year either of the following conditions namely:—

(a) that it has at least two members entitled to a share on partition who are not less than 18 years of age; or

(b) that it has at least two members entitled to a share on partition neither of whom is a lineal descendant of the other and both of whom are not lineally descended from any other living member of the family; and

(ii) Rs. 3,000 in every other case'."

In moving this amendment, I want to make two or three things clear. The first thing has been made clear by the honourable the Finance Minister himself. This amendment does not commit those who want that the Hindu undivided family should not be taxed as such to any principle of taxation based on the lines of this amendment. Similarly, I must make it clear that it does

[Pandit Thakur Das Bhargava]

not commit the Government to anything at all. As the report of the Investigation Tribunal is coming before us for discussion, as the matter was referred to it by the previous Finance Minister, it is *sub judice* in a sense and the House and the honourable the Finance Minister and the country will go into the question and the question will be finally settled as to whether the Hindu Joint Family as such should be taxed, and if so, in what manner.

Now, this amendment is merely a symbolic gesture of the acceptance of the fact by the honourable the Finance Minister that today the Hindu undivided family is not being treated in the proper way. This amendment only touches families which are paying taxes on less than Rs. 5,000: so in regard to families who pay on more than Rs. 5,000, they are not touched. Therefore, I cannot justify this amendment. Similarly, except as a compromise this amendment does not speak about supertax. I gave notice of many amendments on other basis in respect of both income-tax and supertax but I am not moving any one of them as in the present financial condition of the country it is not a practical proposition to ask for relief on the basis of justice or logic or on the basis that H.U.F. has been unjustly treated for the last 90 years.

Now, I have been given to understand, even at present, that in regard to Hindu undivided families, the separate incomes of the members are separately assessed by the income-tax department. According to the law, they could even assess such incomes in a joint manner. But I am given to understand that in practice they are not doing so. I would therefore ask the honourable the Finance Minister to give us an assurance that this practice will continue, because if the income-tax people want to extort more money, they will care neither for the law nor the practice.

As regards the other aspects of this amendment, I would only submit that while making a Compromise we have taken good care to see that it does not give any sort of preference to a Hindu over a non-Hindu and therefore we have excluded even such Hindu undivided families who are paying income-tax on less than Rs. 5,000 also as could possibly abuse this concession. It contemplates two cases, firstly when there are two adult sharers and secondly when there are two sharers adult or otherwise provided they form the nucleus of separate branches. The essential condition is that the income of the family must be less then five thousand Rupees. Therefore this amendment so far as it goes, does not do full justice to the Hindu joint family: or what to speak of full justice, it does not do even the least possible justice so far as supertax is concerned. According to me it is not less than Rs. 20 crores which are being charged from the Hindu undivided family on a basis which cannot be justified and is not applicable to non-Hindus. For the last 90 years this has been the practice and Sir George Schuster, Sir Basil Blackett, Mr. Liaquat Ali Khan and Mr. Shanmukham Chetty have been telling us during the last twenty years that the Taxation Enquiry Committee will be appointed and it will go into the question and do justice. But such a Committee is not likely to be appointed soon. I must thank the honourable the Finance Minister that though by the acceptance of the amendment, he is not doing us even one-hundredth part of full justice, yet at the same time he is surely making a gesture—putting us on the road to justice. The acceptance of this amendment makes a breach as it were in the wall and commits the Government to see that the Hindu joint family is taxed properly in future because according to me the only remedy in this state of things in which we have been for such a long time is that the Hindu joint family is not taxed as such at all. I want that every Hindu, Christian, Muslim and every other person in the country should be treated on the same basis. I do not want this differentiation. This taxation on the Hindu undivided

family as such has been in the nature of a poll tax. I do not want such a thing to continue any longer. Therefore by placing this amendment though I know I cannot justify it on principle or expediency but merely as a gesture I am accepting the proposition of the Department. I beg of the Finance Minister to give the assurance that I have requested him to make so that the position becomes absolutely clear.

**Mr. Deputy-Speaker:** Amendment moved:

"That in Part I A of the Third Schedule to the Bill for the words, 'The limit referred to in the above proviso shall be Rs. 3,500 in the case of every Hindu undivided family, and Rs. 3,000 in every other case', the following be substituted :

'The limit referred to in the above proviso shall be—

(i) Rs 5,000 in the case of every Hindu Undivided Family which satisfies as at the end of the previous year either of the following conditions namely :—

(a) that it has at least two members entitled to a share on partition who are not less than 18 years of age; or

(b) that it has at least two members entitled to a share on partition neither of whom is a lineal descendant of the other and both of whom are not lineally descended from any other living member of the family; and

(ii) Rs. 3,000 in every other case'. "

**Mr. Nasiruddin Ahmad:** Sir, I have a small drafting amendment.

**Mr. Deputy-Speaker:** To this?

**Mr. Nasiruddin Ahmad:** Yes. It would be acceptable. I find that the words "Undivided Family" have been capitalized. The House has shown tendencies of a capitalistic nature. They should be spelt with small letters.

Apart from this, I strongly support the principle of this amendment. I feel that injustice was being done to joint Hindu families. For this reason I also agree to sign the joint dissentient minute in support of this amendment.

**The Honourable Dr. John Matthai:** With regard to the undertaking and assurance that Pandit Thakur Das Bhargava sought from me regarding the assessment of the separate income of members of joint families, I have not the slightest hesitation in making him the assurance on the lines that he indicated: that is to say, the separate incomes of the members of joint Hindu families will be separately assessed, and therefore the income of the joint family will be assessed in respect of the income derived from the common property of the joint family. That is the practice which we have followed under the principles underlying our income-tax law and it is our intention to continue this practice hereafter.

[Dr. John Matthai]

I am grateful to Pandit Bhargava for not pressing his other amendment in regard to supertax. He has rightly said that we are not in a position on financial grounds to consider it and may I repeat here what I said in the course of my reply to the general debate that the decision that we are taking today is both on my part and on Pandit Thakur Das Bhargava's part without prejudice to whatever decision the House may arrive at hereafter.

**Mr. Deputy-Speaker:** The question is:

"That in Part 1-A of the Third Schedule to the Bill for the words, 'The limit referred to in the above proviso shall be Rs. 3,500 in the case of every Hindu undivided family, and Rs. 3,000 in every other case', the following be substituted :

'The limit referred to in the above proviso shall be—

(i) Rs. 5,000 in the case of every Hindu Undivided Family which satisfies as at the end of the previous year either of the following conditions, namely :—

(a) that it has at least two members entitled to a share on partition who are not less than 18 years of age; or

(b) that it has at least two members entitled to a share on partition neither of whom is a lineal descendant of the other and both of whom are not lineally descended from any other living member of the family; and

(ii) Rs. 3,000 in every other case'."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

"That the Third Schedule, as amended, stand part of the Bill."

*The motion was adopted.*

*The Third Schedule, as amended, was added to the Bill.*

**Shri Lakshminarayan Sahu:** Sir, I move:

"That in sub-clause (2) of clause 1 of the Bill after the words 'Provinces of India', the words 'and all acceding States' be added."

**The Honourable Dr. John Matthai:** To save the time of the House I may explain the point. The point is that this Act should apply to the provinces and the acceding States. Under the terms on which the acceding states have acceded, it is true that customs duties have been included in the matters covered by the Instrument of Accession but excise duties are not. So long as that is the position it is not possible for us to include acceding States here.

**Shri Lakshminarayan Sahu:** In view of the honourable Minister's explanation I do not want to press my amendment.

**Mr. Nazirudin Ahmad:** Sir I have an amendment for the omission of the word 'Indian' in clause 1.

**The Honourable Dr. John Matthai:** That has been the practice all along.

**Mr. Nazirudin Ahmad:** This was no doubt the practice all along. This was so so long as the British were here and that was to distinguish the Acts of India from other colonial Acts. Since the departure of the British we have discarded the word 'Indian' in our Acts. There are a large number of Bills pending before the House, for instance the Chartered Accountants Bill. We do not say the Indian Chartered Accountants Bill. The word 'Indian' is sufficiently understood.

**Mr. Deputy-Speaker:** Has the honourable Member considered the provincial Acts, such as the Madras Act, the Bombay Act, etc?

**Mr. Nazirudin Ahmad:** That is to distinguish them from the Acts of one province from another and from the Central Act. So far as we are concerned we have been consistently omitting this word in all other Bills. That is a relic of our past bondage of two hundred years.

**The Honourable Dr. John Matthai:** Sir, I do not accept it now but I will have the suggestion sent to my honourable colleague the Law Minister later on.

**Mr. Deputy Speaker:** That means next year, evidently.

The question is:

"That clause 1 stand part of the Bill."

*The motion was adopted.*

***Clause 1 was added to the Bill.***

**Mr. Deputy Speaker:** The question is:

"That the Title and the Preamble stand part of the Bill."

*The motion was adopted.*

***The Title and the Preamble were added to the Bill.***

**The Honourable Dr. John Matthai:** Sir, I move:

"That the Bill, as amended, be passed."

**Mr. Deputy Speaker:** The question is:

"That the Bill, as amended, be passed."

***The motion was adopted.***

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## NEWS *RE* SAFETY OF THE HON'BLE SARDAR VALLABHBHAI PATEL AFTER AIR ACCIDENT NEAR JAIPUR

**Mr. Deputy Speaker:** I would like to inform the House that the Honourable Mr. Gadgil has just returned from Jaipur and has brought us the good news that our Deputy-Prime Minister is hale and hearty. By God's grace he has had a narrow escape. We thank Providence for having spared him and may he be spared for a long number of years to serve the country. He will soon be with us tomorrow. So let honourable Members be in good cheer.

*The Assembly then adjourned till a Quarter to Eleven of the Clock on Thursday, the 31st March, 1949.*